

2/2736

JAA-03-14246-15

DEPT. OF TRANSPORTATION
OFFICE

03 JAN 17 AM 11:46

April 23, 2002

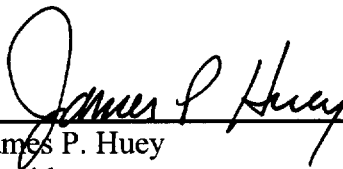
Ms. Woodie Woodward
Associate Administrator for Airports
Federal Aviation Administration
Room 600E
800 Independence Avenue, S.W.
Washington, DC 20591

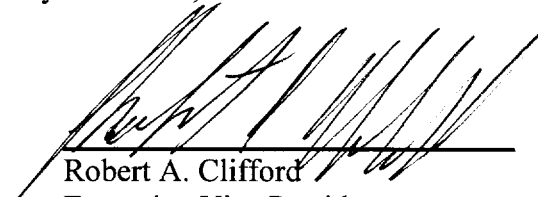
**Re: Final Application for Exemptions under 49 U.S.C. § 47134 for
Privatization of New Orleans Lakefront Airport**

Dear Ms. Woodward:

Enclosed please find the above-referenced application of the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C. for exemptions under 49 U.S.C. § 47134. The material submitted complies with the requirements established by the Federal Aviation Administration in its Notice of Final Application Procedures, 62 Fed. Reg. 48693 (September 16, 1997). The below signatures of the appropriate officials of the current public sponsor and the proposed private operator signify our joint support of this application and authorize the request for exemptions.

Respectfully submitted,


James P. Huey
President
The Board of Commissioners
of the Orleans Levee District


Robert A. Clifford
Executive Vice President
American Airports
Lakefront, L.L.C.

Enclosures

cc: David Bennett, Esq.) By hand delivery
Kevin Willis)

ORIGINAL

BEFORE THE
FEDERAL AVIATION ADMINISTRATION
ASSOCIATE ADMINISTRATOR FOR AIRPORTS, ARP-1
WASHINGTON, D.C.

In the matter of:)
THE PRIVATIZATION OF NEW ORLEANS)
LAKEFRONT AIRPORT)
Final Application of)
THE BOARD OF COMMISSIONERS OF THE)
ORLEANS LEVEE DISTRICT)
and)
AMERICAN AIRPORTS LAKEFRONT, L.L.C.)
for exemptions pursuant to 49 U.S.C. § 47134)

FAH-2003-14246
Docket No. _____

**FINAL APPLICATION FOR EXEMPTIONS UNDER 49 U.S.C. § 47134
FOR PRIVATIZATION OF NEW ORLEANS LAKEFRONT AIRPORT**

Communications with respect to this document should be addressed to:

Gerard G. Metzger, Esq.
GERARD G. METZGER (APLC)
144 Elk Place, Suite 1710
New Orleans, LA 70112
(504) 525-1586

Special Counsel to
THE BOARD OF COMMISSIONERS OF
THE ORLEANS LEVEE DISTRICT

Robert A. Clifford
AMERICAN AIRPORTS
LAKEFRONT, L.L.C.
2981 28th Street, Suite 3000
Santa Monica, CA 90405
(310) 664-4051

J. E. Murdock III, Esq.
Alexander Van der Bellen, Esq.
Jonathan Echmalian,
Senior Aviation Specialist
SHAW PITTMAN LLP
2300 N Street, N.W.
Washington, D.C. 20037
(202) 663-8342

Counsel for the Joint Applicants

April 23, 2002

DEPT. OF TRANSPORTATION
APR 17 2002
17 APR 17 2002

TABLE OF CONTENTS

INTRODUCTION.....	1
REQUIRED STATEMENTS AND INFORMATION.....	10
I. PARTIES TO THE TRANSACTION.....	10
A. <i>Name of the airport proposed for lease.</i>	10
B. <i>Name and address of the public sponsor of the airport; name, address, telephone number and fax number of the person to contact about the application.</i>	10
C. <i>Name and address of the private operator proposing to lease the airport; name, address, telephone number and fax number of the person to contact about the application.</i>	11
D. <i>Name and address of each of the participating members of the private operator.</i>	11
E. <i>Citizenship of the private operator and/or each member of the private operator consortium, and percentage of interest of each member.</i>	12
F. <i>The public sponsor's authority to lease the airport.</i>	12
II. AIRPORT PROPERTY.....	18
A. <i>Description of the airport property to be leased.</i>	18
B. <i>History of the acquisition of existing airport property</i>	18
III. TERMS OF THE TRANSFER.....	20
A. <i>Detailed description of the terms of the transfer, other than financial</i>	20
1. <i>The form of the transaction.</i>	20
2. <i>Term of the lease or other transfer agreement.</i>	20
3. <i>Description of any rights, authority, or interests retained by the public sponsor, including reversion of title to facilities.</i>	21

4.	<i>Description of the respective rights and responsibilities of each member of the private operator.</i>	29
B.	<i>Financial terms of the transaction</i>	31
1.	<i>Amounts and timing of payments to the public sponsor.</i>	31
2.	<i>Amounts of payments to the public sponsor to be used, respectively, for airport purposes (including recoupment of public sponsor investments not previously recovered) and other purposes.</i>	32
3.	<i>Financing arrangements, including source of the funds used by the private operator for initial and future lease payments.</i>	32
4.	<i>Projected impact of the initial transaction on the fee structure for charges to airport users.</i>	33
5.	<i>Projected impact of future lease payments to the public sponsor on the fee structure for charges to airport users.</i>	33
6.	<i>Other relevant financial net Lease Provision terms of the transfer.</i>	34
C.	<i>Copies of all documents executed as part of the transfer.</i>	35
D.	<i>Request for confidentiality, with supporting information.</i>	35
E.	<i>Provisions in the lease conferring third party beneficiary rights on behalf of the FAA to enforce key obligations, giving the FAA the right to enforce directly against the private operator key obligations contained in AIP grant agreements and the assurances required by Section 47134.</i>	37

IV.	QUALIFICATIONS OF THE PRIVATE OPERATOR.	38
A.	<i>Description of airport management and operations experience. The identity, experience, expertise and responsibility of key personnel. Description of the facilities and airports presently being managed by the company, both domestically and internationally. Experience of the constituent members and the proposed management structure to integrate operations functions.</i>	38
B.	<i>Financial resources for operating/capital expenses of the airport. Balance sheet and income statement prepared in accordance with Generally Accepted Accounted Principles.</i>	44
C.	<i>Timing/details of application for Part 139 certificate.</i>	46
D.	<i>Plan for compliance with 14 C.F.R. Part 107 (and 49 C.F.R. Part 1542).</i>	46
E.	<i>Description of the private operator's capability of complying with the public sponsor's existing grant assurances, including the assurance of compatible land use around the airport; the protection of navigation aids, approach lights, runway safety areas, and runway protection zones; and the continuation and extension of aviation easements.</i>	47
F.	<i>Affiliations with air carriers or other persons engaged in aeronautical business activity at an airport (other than airport management).</i>	48
G.	<i>Description of all charges of unfair or deceptive practices or unfair methods of competition brought against the private operator, the private operator's key personnel and, the separate members of the private operator in the past 10 years.</i>	48

V.	REQUESTS FOR EXEMPTIONS.	48
A.	<i>Exemption requested by the public sponsor under 49 U.S.C. § 47134(b)(1), from the prohibition on use of airport revenue for general purposes, including the amount of funds involved. The description should include sale or lease proceeds as well as funds in existing airport accounts that would be transferred to general accounts.</i>	48
B.	<i>Exemption requested by the public sponsor under 49 U.S.C. § 47134(b)(2), from the requirement to repay Federal grants funds or return property.</i>	49
C.	<i>Exemption requested by the private operator under 49 U.S.C. § 47134(b)(3), from the prohibition on use of airport revenue for general purposes.</i>	49
VI.	CERTIFICATION OF AIR CARRIER APPROVAL.	60
A.	<i>Certification that air carriers meeting the requirements of 49 U.S.C. § 47134(b)(1)(A) approve the exemption described in Part V.A. above.</i>	60
B.	<i>Required lists of U.S. air carriers and total landing weights.</i>	61
C.	<i>Copies of each document indicating air carrier approval of or objection to the exemption requested.</i>	62
D.	<i>Description of consultation with foreign air carriers serving the airport on proposals for air carrier approval under 49 U.S.C. § 47134(b)(1)(A).</i>	62
VII.	AIRPORT OPERATION AND DEVELOPMENT.	62
A.	<i>Description of how the private operator, the public sponsor, or both, will address the following issues with respect to the operation, maintenance, and development of the airport after the proposed transfer:</i>	62
1.	<i>Part 139 certification.</i>	62

2.	<i>Continuing access to the airport on fair and reasonable terms and without unjust discrimination, in accordance with section 47134(c)(1).</i>	63
3.	<i>Continued operation of the airport in the event of bankruptcy or other financial or legal impairment of the private operator, in accordance with the specific terms of section 47134(c)(2). Legal opinion and certification that the proposed plan will be effective under operation of all applicable law, including but not limited to bankruptcy law.</i>	64
4.	<i>Maintenance, improvement, and modernization of the airport, in accordance with section 47134(c)(3), including the public sponsor's most recent 5-year capital improvement plan (CIP) and the 5-year CIP proposed by the private operator.</i>	65
5.	<i>Compliance with the limitations on air carrier fees, pursuant to section 47134(c)(4), not imposed for funding of new capital development undertaken after the transfer to the private operator.</i>	68
6.	<i>Compliance with the limitation on general aviation fees described in section 47134(c)(5).</i>	68
7.	<i>Maintenance of safety and security at the airport, in accordance with section 47134(c)(6).</i>	69
8.	<i>Provisions for mitigation of adverse effects of noise from airport operations, in accordance with section 47134(c)(7).</i>	70
9.	<i>Provisions for mitigation of adverse effects on the environment from airport operations, in accordance with section 47134(c)(8).</i>	73

10.	<i>Recognition that section 47134(c)(9) provides that any collective bargaining agreement that covers employees of the airport and is in effect on the date of the sale or lease of the airport will not be abrogated by the lease.</i>	74
11.	<i>The private operator's intentions regarding consultation with general aviation users regarding the planned privatization of the airport, and the projected effect on general aviation of the proposed changes in operation and management of the airport.</i>	75
12.	<i>The private operator's plans for development of general aviation.</i>	79
B.	<i>The private operator's acceptance of the grant assurances contained in the public sponsor's grant agreements with the FAA.</i>	80
C.	<i>Description of the parties' efforts to consult with airport users about the proposed transaction and of the parties' community outreach efforts.</i>	80
VIII.	PERIODIC AUDITS.	81
	CONCLUSION	82

EXHIBITS

Exhibit A	Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport
Exhibit B	Advisory Opinion from the State of Louisiana's Attorney General's Office Concerning Public Sponsor's Authority to Lease the Airport
Exhibit C	NOLA Airport Layout Plan
Exhibit D	Survey and Legal Description of the Airport
Exhibit E	List of Federal Grants and Project Descriptions Relating to the Airport
Exhibit F	American Airports Corporation Summary of Projects and Airport Management Experience
Exhibit G	American Airports Corporation Key Personnel
Exhibit H	United Professionals Company Key Personnel
Exhibit I	American Airports Corporation Financial Statements for 2000 and 2001
Exhibit J	FAR Part 135 Operators Letters of Approval
Exhibit K	Legal Opinion and Certification Regarding Plan for Continued Operation of the Airport
Exhibit L	Public Sponsor's Most Recent 5-Year Capital Improvement Plan
Exhibit M	Private Operator's Proposed 5-Year Capital Improvement Plan
Exhibit N	Private Operator's Written Response to Questions Posed by the Public

**BEFORE THE
FEDERAL AVIATION ADMINISTRATION
ASSOCIATE ADMINISTRATOR FOR AIRPORTS, ARP-1
WASHINGTON, D.C.**

In the matter of:)
THE PRIVATIZATION OF NEW ORLEANS)
LAKEFRONT AIRPORT)
Final Application of)
THE BOARD OF COMMISSIONERS OF THE)
ORLEANS LEVEE DISTRICT)
and)
AMERICAN AIRPORTS LAKEFRONT, L.L.C.)
for exemptions pursuant to 49 U.S.C. § 47134)

Docket No. _____

**FINAL APPLICATION FOR EXEMPTIONS UNDER 49 U.S.C. § 47134
FOR PRIVATIZATION OF NEW ORLEANS LAKEFRONT AIRPORT**

The Board of Commissioners of the Orleans Levee District (“Public Sponsor”) and American Airports Lakefront, L.L.C. (“Private Operator”) (collectively, the “Joint Applicants”) hereby submit this final Application for exemptions pursuant to 49 U.S.C. § 47134 in connection with the proposed privatization of the New Orleans Lakefront Airport (“NOLA” or the “Airport”).

INTRODUCTION

1. Public Sponsor and Private Operator propose to enter into a fifty (50) year Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of NOLA (the “Agreement”). The Agreement is included with this Application as Exhibit A.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 2**

2. The Agreement is precisely the type of innovative arrangement the Congress envisioned when it created the Airport Privatization Pilot Program. Introducing a private, commercial enterprise into NOLA's day-to-day operations will help reverse a history of minimal airport growth and unwarranted financial drain on its public sponsor, which have severely restricted the Airport's potential service value to aviation users. An experienced, privately held airport management company will provide much-needed initiative, entrepreneurial spirit, marketing capabilities and resources to transform NOLA into a burgeoning general aviation airport that serves the public interest and provides an economic stimulus to the New Orleans metropolitan area.

3. Efficiencies and improvements at NOLA have suffered for years as a result of the mission and purpose of the Airport's public sponsor. The Orleans Levee District ("OLD") was established in 1890, well before the advent of aviation. The Board of Commissioners of the OLD (the "Board") was narrowly charged with the "construction, repair, control and maintenance of all levees in the [Orleans Levee] District."

4. The Board was not directly charged with operating transportation facilities such as airports, but took on the responsibility for NOLA as the best logical public body to develop and administer such a facility on land under its jurisdiction at the time NOLA was built in the early 1930s. In 1931, the Board

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 3**

authorized construction of Lakefront Airport on 315 acres of reclaimed water bottoms of Lake Pontchartrain that form a man-made peninsula jutting into the Lake. Construction of the Airport was completed in 1934.

5. NOLA presently consists of 472 acres, of which 83 acres remain available for development. NOLA is a busy general aviation airport, with three runways that serve primarily private, corporate, and military aircraft. The main runway is 6,879 feet long. In spite of the potential for growth and self-sustaining operations at the Airport, its mere sustenance has become a serious financial burden on Public Sponsor, which has been subsidizing the Airport and has been unable to take the steps needed to transform the Airport into a self-sustaining operation.

6. The Board is a public body that was designed to have one area of expertise, which is the construction and operation of *levees* to provide flood protection for the City of New Orleans. Operating a self-sustaining airport has never been the Board's primary focus. For that reason, the Board has been reluctant to approve recommendations by the Airport's staff to implement risk-taking initiatives that could ultimately lead to more efficient and cost-recapturing operations at NOLA. The Board currently maintains a conservative, risk-adverse approach to airport management.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 4**

7. Two elements are needed to make NOLA an attractive and self-sufficient general aviation airport: (1) private enterprise and (2) experienced airport management that is empowered to take reasonable risks. Private Operator is strongly positioned to fulfill both requirements, subject to the approval of this Application and implementation of the terms of the Agreement.

8. As demonstrated in Section IV of this Application, Private Operator is a highly qualified applicant for private operation of the Airport. Private Operator will be staffed by a team of experienced airport professionals with a proven record of improving, modernizing and successfully managing numerous airports. The structure of the Agreement and financial resources of Private Operator will ensure that adequate funds are committed to the Airport to bring about changes that will not only better serve aviation users, but also lead to the Airport's self-sufficiency, long-term viability, and contributions to the local economy.

9. Under Private Operator's management, NOLA stands to improve its position as a useful and lucrative general aviation airport serving downtown New Orleans and the greater metropolitan area. The people and economy of New Orleans will greatly benefit from the Joint Applicants' privatization plan. General aviation users will be served by a well-run airport within minutes of the Central Business District, Convention Center and famous French Quarter of New Orleans.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 5**

10. Private Operator has no intention to compete with Louis Armstrong International Airport (MSY) as New Orleans' airport of choice for scheduled commercial operations. Rather, Private Operator envisions NOLA as a convenient alternative to MSY for general aviation and charter users seeking a non-congested but well-equipped airport facility close to the heart of downtown New Orleans, that will complement, not cannibalize, MSY.

11. Among the first steps that Private Operator would take to develop general aviation at NOLA would be to master plan and develop additional airport hangars that would accommodate larger corporate flight departments, individual corporate hangars, and T-hangars. These hangars would service and attract not only general aviation users, but also charter and small freight businesses. In addition, Private Operator would study the possibility of developing an "aviation service mall" concept at the Airport. Such a mall would consist of a group of larger hangars that would provide one-stop shopping for all elements of aircraft sales and servicing, including aircraft maintenance and overhaul, avionics repair and maintenance, aircraft painting, aircraft completion shops, aircraft interior and upholstery shops, and so forth.

12. Plans for growth and modernization, coupled with active, hands-on daily airport management, promise to convert NOLA from a languishing financial drain on Public Sponsor into a highly utilized "state of the art" general aviation

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 6**

airport serving one of the United States' great cities. NOLA will be transformed from a source of negative cash flow to a stream of new income for the OLD. The Airport Privatization Pilot Program creates a unique opportunity for this transformation to take place. The Joint Applicants urge the FAA promptly to consider and approve this Application.

13. This Application meets all of the criteria established by 49 U.S.C. § 47134(c)-(f) and (m) for the grant of exemptions under § 47134(b):

- The Airport will continue to be available for public use on reasonable terms and conditions without unjust discrimination (§ 47134(c)(1)). *See* Application, Section VII.A.2.; Agreement, Section 9.3(i), Section 10.3, and Exhibit "G."
- The operation of the Airport will not be interrupted in the event that the lessee becomes insolvent or seeks or becomes subject to any State or Federal bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding or any petition or similar law seeking the dissolution or reorganization of the lessee or the appointment of a receiver, trustee, custodian, or liquidator for the lessee or a substantial part of the lessee's property, assets, or business (§ 47134(c)(2)). *See* Application, Section VII.A.3. and Exhibit K; Agreement, Sections 9.3(ii), 26.1(i) and 26.10.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 7**

- The lessee will maintain, improve, and modernize the facilities of the Airport through capital investments and is submitting a plan (Exhibit M) for carrying out such maintenance, improvements, and modernization (§ 47134(c)(3)). *See also* Application, Section VII.A.4.; Agreement, Section 9.3(iii).
- Every fee of the Airport imposed on an air carrier on the day before the date of the lease of the Airport will not increase faster than the rate of inflation unless a higher amount is approved (A) by at least 65 percent of the air carriers serving the Airport; and (B) by air carriers whose aircraft landing at the Airport during the preceding calendar year had a total landing weight during the preceding calendar year of at least 65 percent of the total landed weight of all aircraft landing at the airport during such year (§ 47134(c)(4)). *See* Application, Section VII.A.5.; Agreement, Section 9.3(iv).
- The percentage increase in fees imposed on general aviation aircraft at the Airport will not exceed the percentage increase in fees imposed on air carriers at the Airport (§ 47134(c)(5)). *See* Application, Section VII.A.6.; Agreement, Section 9.3(iv).
- Safety and security at the Airport will be maintained at the highest possible levels (§ 47134(c)(6)). In operating the Airport, Private Operator will be

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 8**

obligated and committed to adhere to all FAA and Transportation Security Administration (“TSA”) regulations and requirements governing safety and security at airports (14 C.F.R. Part 139 and 49 C.F.R. Part 1542, respectively). Private Operator has specific plans to enhance safety and security at NOLA. *See* Application, Section VII.A.7.; Agreement, Sections 9.3(v) and 10.2.e.

- The adverse effects of noise from operations at the Airport will be mitigated to the same extent as at a public airport (§ 47134(c)(7)). *See* Application, Section VII.A.8.; Agreement, Sections 4.7, 9.3(vi) and 10.2.t.
- Any adverse effects on the environment from Airport operations will be mitigated to the same extent as at a public airport (§ 47134(c)(8)). *See* Application, Section VII.A.9.; Agreement, Sections 4.7, 9.3(vii) and 10.2.t
- Any collective bargaining agreement that covers employees of the Airport and is in effect on the date of the lease of the Airport will not be abrogated by the lease (§ 47134(c)(9)). *See* Application, Section VII.A.10.; Agreement, Section 9.3(viii).
- The Airport is eligible to become one of the five Airport Privatization Pilot Program participants (§§ 47134(d) and (m)). NOLA is a “general aviation airport,” as that term is defined in § 47134(m). Thus, in the event the FAA

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 9**

ultimately approves all five available airport privatization opportunities, and no other general aviation airports are authorized, approval of this Application would ensure that the FAA's aggregated selections adhere to § 47134(d)(1), which states that one of the pilot program airports must be a general aviation airport. On the other hand, approval of this Application would not preclude the FAA from granting privatization applications of other general aviation airports, nor would it eliminate the single opportunity for a large hub airport participant under § 47134(d)(2).

- Approval will not result in unfair and deceptive practices or unfair methods of competition (§ 47134(e)). Private Operator's record demonstrates it possesses a positive compliance disposition with regard to such practices. *See* Application, Section IV.G.
- The interests of general aviation users of the Airport will not be adversely affected (§ 47134(f)). In fact, as demonstrated in this Application, Private Operator's plans to enhance NOLA as a flourishing general aviation airport will benefit, not adversely affect, the interests of general aviation users. *See* Application, Sections VII.A.11. and 12.

REQUIRED STATEMENTS AND INFORMATION

In further support of this Application, the Joint Applicants submit the following information required by the FAA's Notice of Final Application Procedures, 62 Fed. Reg. 48693 (September 16, 1997):

I. PARTIES TO THE TRANSACTION.

A. *Name of the airport proposed for lease.*

New Orleans Lakefront Airport.

B. *Name and address of the public sponsor of the airport; name, address, telephone number and fax number of the person to contact about the application.*

1. Board of Commissioners of the Orleans Levee District
6001 Stars and Stripes Boulevard
New Orleans, Louisiana 70126
2. Please contact the following persons about this application:

J. E. Murdock III, Esq. (primary contact)
Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037
Telephone: (202) 663-8342
Fax: (202) 663-8007
Email: sandy.murdock@shawpittman.com

Gerard G. Metzger, Esq. (secondary contact)
144 Elk Place, Suite 1710
New Orleans, Louisiana 70112
Telephone: (504) 525-1586
Fax: (504) 561-8166
Email: metzaplc@bellsouth.net

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 11**

C. *Name and address of the private operator proposing to lease the airport; name, address, telephone number and fax number of the person to contact about the application.*

1. American Airports Lakefront, L.L.C.
2951 28th Street, Suite 3000
Santa Monica, California 90405

2. Please contact the following persons about this application:

Robert A. Clifford (primary contact)
Executive Vice President
American Airports Corporation
2951 28th Street, Suite 3000
Santa Monica, California 90405
Telephone: (310) 664-4051
Fax: (310) 664-4360
Email: racwh@earthlink.net

Scott Fuller (secondary contact)
Vice President, Airports
American Airports Corporation
3235 Satellite Boulevard, Building 400, Suite 300
Duluth, Georgia 30096
Telephone: (770) 291-2110
Fax: (770) 291-2113
Email: sfuller@americanairports.net

D. *Name and address of each of the participating members of the private operator.*

American Airports Lakefront, Private Operator, is a limited liability company that has been jointly formed by the following two member companies:

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 12**

American Airports Corporation
Attn: Robert A. Clifford
Executive Vice President
2951 28th Street, Suite 3000
Santa Monica, California 90405
Telephone: (310) 664-4051
Fax: (310) 664-4360
Email: racwh@earthlink.net

United Professionals Company, LLC
Attn: Robert Lane Sisung
2 Canal Street (World Trade Center)
Suite 2440
New Orleans, Louisiana 70130
Telephone: (504) 544-7700
Fax: (504) 544-7701
Email: lane@sisung.com

- E. *Citizenship of the private operator and/or each member of the private operator consortium, and percentage of interest of each member.*

1. American Airports Corporation (“AAC”) is a California Subchapter S Corporation that holds 80% of the membership (ownership) interest in Private Operator. All stockholders are U.S. citizens.

2. United Professionals Company (“UPC”) is a Louisiana Limited Liability Company that holds 20% of the membership (ownership) interest in Private Operator. All members are U.S. citizens.

- F. *The public sponsor's authority to lease the airport.*

1. The Orleans Levee District (the “District”) was established by the Louisiana Legislature in Acts of 1890, No. 93, for the purpose of constructing and

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 13**

maintaining all levees in the Parish of Orleans. Pursuant to Article 16, § 7, of the Louisiana Constitution of 1921, as amended in 1922 and in 1928, the Board of Commissioners of the Orleans Levee District, “the governing body of the District,” was granted “ ... the full and exclusive right, jurisdiction, power and authority” to reclaim lands along Lake Pontchartrain within an area extending from the western boundary of Orleans Parish to a point approximately one-half mile East of Paris Road. This broad grant of authority has been determined by the Supreme Court of the State of Louisiana to be a “plenary grant of authority” and operates as an exemption from certain restrictions placed on other levee districts.

2. NOLA was constructed on lands reclaimed by the District pursuant to this constitutional authority. The Airport, formerly known as the New Orleans Airport, and prior to that as Shushan Airport, was dedicated in 1934. The constitutional provisions vesting the Board with the right, jurisdiction, power and authority to construct the Airport make it manifest that the origin, growth, development and continued existence of the Airport rest exclusively with the Board.

3. The above-referenced constitutional provisions were transferred to the Louisiana Revised Statutes (“La. Rev. Stat.”) upon the adoption of the 1974 La. Constitution. The following statute vests the Board with the authority to sell or lease any of the lands belonging to the District, which includes NOLA:

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 14**

La. Rev. Stat. Ann. § 38:336(A) provides that:

"To enable the board of commissioners of the Orleans Levee District to perform work herein provided for to assist in defraying the cost of expenses thereof, and to carry out the purposes of this and other laws, the state of Louisiana hereby grants and releases to the board the title of the state in and to all public property necessary for the purposes hereof *and all lands reclaimed or filled in within any levee embankments, slopes, retaining walls, seawalls, and breakwaters constructed hereunder and in and to all lands lying within the territorial limits of a project and hereby releases the land from any public trust or dedication*" (emphasis added).

This particular statute further states that:

"Notwithstanding the provisions of R.S. 38:302, R.S. 38:320, and R.S. 38:321, the board shall have the jurisdiction, power, and authority to sell, lease, *or otherwise dispose of such portion of the lands reclaimed and other property acquired for the purpose of the improvement*, except the lands, herein required to be dedicated by it for public use, together with any building, improvements, or other works constructed thereon, *under such terms and conditions and by such methods as the board may deem proper*" (emphasis added).

The statute further states that:

"The board also may establish and improve such servitudes, restrictions, rules and regulations as to such lands sold or leased or otherwise disposed of as the board may determine."

4. La. Rev. Stat. Ann. § 38:302 relates to the commercial lease of lands of the various levee districts. La. Rev. Stat. Ann. § 38:320 relates to the sale or

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 15**

lease of land owned by levee boards and their compliance with bid laws¹. Thus, the broad powers granted to the Orleans Levee Board under La. Rev. Stat. Ann. § 38:336 clearly provide that the Board has the power to sell or lease the Airport “under such terms and conditions and by such methods as the board may deem proper.”

5. The Louisiana Supreme Court in *Arnold v. Board of Levee Commissioners of the Orleans Levee District*, 366 So. 2d 1321 (1978), examined the applicability of the public lease laws to the lands the District included within its projects. In its opinion, the Court recognized that Article 16, § 7(h), of the Louisiana Constitution of 1921 granted the District title to lands formerly held by the State to the bed and shores of Lake Pontchartrain within designated territorial limits, which includes the site of the Airport. Article 16, § 7(h), states:

“To enable the said Board to perform the work herein provided for and to assist in defraying the cost and expense thereof, and to carry out the purposes of existing laws and this Article of the Constitution, the State of Louisiana hereby grants and releases to said Board the title of the State in

¹ La. Rev. Stat. Ann § 38:306(A). “Each Board of Commissioners may buy, hold, sell and transfer, or exchange property, make and execute contracts, and do and perform any and all acts necessary to insure the thorough and adequate protection of the lands of the district from damage by flood, and in the case of levee and drainage boards for the adequate drainage control of the district.” La. Rev. Stat. Ann § 38:309(C). “A board may buy, sell or exchange property, and execute all contracts and do and perform things necessary to carry out the object of this chapter, subject to the limitations and dates herein provided.”

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 16**

and to all public property necessary for the purposes hereof and all lands reclaimed or filled in within any levee embankments, slopes, retaining walls, sea walls and breakwaters constructed hereunder and in and to all lands lying within the territorial limits of said project and hereby releases said land from any public trust or dedication and said Board shall have jurisdiction, power and authority to sell and lease, or otherwise dispose of such portion of the lands reclaimed and other property acquired for the purpose of said improvement, except the lands herein required to be dedicated by it for public use, together with any building, improvements or other works constructed thereon, under such terms and conditions and by such methods as said Board may deem proper....” Art. 16, § 7(h), 1921 La. Const.²

6. The Court in *Arnold* also ruled that La. Rev. Stat. Ann. § 38:1235.2 (now La. Rev. Stat. Ann § 38:366) was a special statute, the provisions of which prevail in case of any conflict with a statute of general applicability. The Court also reviewed the particular language of the statute, “under such terms and conditions and by such methods as said Board may deem proper...”, and interpreted the language to be “a plenary grant of authority” by the Legislature “to dispose of the property within the lakefront area in any manner Board deems appropriate”;

² This provision was not included in the 1974 Constitution, but was continued as a statute and was restricted to the same effect as of the effective date of the Constitution by Article 14, § 16(A)(12). It was subsequently re-enacted by Act 729 of 1975 as La. Rev. Stat. Ann. § 38:1235.2. Chapter 4 of Title 38 of the Louisiana Revised Statutes which previously consisted of La. Rev. Stat. Ann. § 38:281 through 38:1480.9, was amended and reenacted by Acts of 1985, No. 785 § 1, eff. July 22, 1985 to consist of La. Rev. Stat. Ann. § 38:281 through 38:513. With this amendment and reenactment, La. Rev. Stat. Ann. § 38:1235.2 became La. Rev. Stat. Ann. § 38:336.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 17**

however, the Court did not stop there: the Court went on to say “...which includes a negotiated lease.”

7. The Board, pursuant to the above-referenced statutory and case law, clearly has the power to sell and/or lease the Airport under such terms and conditions, and by such methods as the Board deems proper.

8. Further, the Supreme Court of the State of Louisiana in *Arnold v. Board of Levee Commissioners of the Orleans Levee District* determined that if the District, through its Board, has a “*plenary grant of authority*” and the Board may “*dispose of the property within the lakefront area in any manner which it deems appropriate under the circumstances, which includes a negotiated lease,*” then the Board clearly possesses the authority to sell or lease the Airport, without having to advertise or enter into a competitive bidding situation.

9. Attached as Exhibit B is an advisory opinion from the State of Louisiana's Attorney General's office, signed by Gary L. Keyser, Esq., Chief of the Lands and Natural Resources Section. This advisory opinion was requested by Special Counsel to the District, Emile W. Schneider, Esq., and Gerard G. Metzger, Esq. In this opinion, Mr. Keyser concludes that no restrictions could be imposed on the District relative to its authority to enter into a lease of the Airport as long as it remains open to the public.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 18**

II. AIRPORT PROPERTY.

A. *Description of the airport property to be leased.*

The entirety of the Airport property described in the current NOLA Airport Layout Plan will be leased. The ALP is attached hereto as Exhibit C. A survey and legal description of the Airport property are also attached hereto as Exhibit D.

B. *History of the acquisition of existing airport property.*

1. As noted in Section I.F. above, the OLD was established by the Louisiana Legislature in Acts of 1890, No. 93, for the purpose of constructing and maintaining all levees in the Parish of Orleans. Pursuant to Article 16, § 7, of the Louisiana Constitution of 1921, as amended in 1922 and in 1928, the Board of Levee Commissioners of the Orleans Levee District was given a “plenary grant of authority.” This plenary grant of authority gave the Board the necessary authority to reclaim lands from the bed of Lake Pontchartrain from the western boundary of Orleans Parish to a point approximately one-half mile East of Paris Road. NOLA was constructed on such lands reclaimed by the District pursuant to this authority.³

2. The Constitutional Amendment in 1928 set forth the authority of the Board to construct "Aviation Fields" among the public improvements provided in

³ See, *Arnold v. Board of Levee Commissioners of the Orleans Levee District*, 366 So. 2d 1321 (1978).

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 19**

its projects. Work began on the Airport in 1930 and was completed in February of 1934.

3. The original name of the Airport was “Shushan Airport,” which was subsequently changed to the “New Orleans Airport,” and later to the “New Orleans Lakefront Airport” when commercial service was transferred to Moisant International Airport. Funding for the original project came from the Federal Reconstruction Finance Corporation of 1932. Additional lands have been added to the original 315 acres since 1934 to increase the size of the Airport to the current, approximate 472 acres.

4. In 1966, the original bulkhead on the North boundary of the Airport premises was demolished and a second bulkhead was constructed and hydraulically filled for the specific purpose of lengthening the North/South Runway. No information relative to Federal Grants has been found concerning this particular expansion.

5. In 1976, the Airport premises were expanded again through the construction of a third bulkhead in Lake Pontchartrain, east of the original bulkhead. The area created by this second expansion of the Airport was also hydraulically filled. Federal Funds were used in this project and were obtained through Grants DOT-FA-76SW-8086 and DOT-FA-76SW-8104. This latest

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 20**

expansion increased the Airport premises to its current size, approximately 472 acres.

6. Attached hereto as Exhibit E is a list of subsequent Federal Grants and project descriptions relating to the Airport.

7. There is no deed or title document of any kind to the land on which the Airport is constructed. Title to all natural navigable bodies of water and their water bottoms in the State of Louisiana are vested in the State of Louisiana. Lake Pontchartrain is a natural navigable body of water. The State of Louisiana, pursuant to Article 16, § 7(h), of the La. Const. of 1921, released to the Board the title of the State to all lands reclaimed from Lake Ponchartrain and released the land from any public trust or dedication.

III. TERMS OF THE TRANSFER.

A. *Detailed description of the terms of the transfer, other than financial.*

1. *The form of the transaction.*

The transaction will be in the form of an Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport.

2. *Term of the lease or other transfer agreement.*

The Term of the Agreement will be fifty (50) years.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 21**

3. *Description of any rights, authority, or interests retained by the public sponsor, including reversion of title to facilities.*

a. OLD, the owner of the Airport, has entered into an Agreement with Private Operator, a limited liability company, for the Lease, Management, Operation, Commercial Enhancement and Development of the Airport, for a term of fifty (50) years. The Agreement is conditioned upon and subject to the approval of the FAA for participation under the Federal Airport Privatization Pilot Program, 49 U.S.C. § 47134, and approval of any lay-off plan submitted by Public Sponsor to the Louisiana Department of Civil Service. The Agreement, accordingly, will not be effective and enforceable until these approvals are obtained from the Administrator of the FAA and the Director of the Louisiana Department of Civil Service.

b. Public Sponsor has the right to terminate the Agreement and seek such other legal and equitable remedies as may be available, in accordance with applicable law, and/or immediately re-enter and take possession of the premises and the operations of the Airport, pursuant to certain specified Events of Default (Agreement, Article Twenty-Six). Events of Default encompass breaches of obligations of Private Operator; failure to pay rent; voluntarily cessation of the operation of the Airport or any material part thereof, except as necessary for repairs and maintenance; any false or misleading representation to Public Sponsor; Private

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 22**

Operator's entering into a sublease of any portion of the premises in violation of the provisions of the Agreement; revocation or material restrictions of the exceptions obtained, pursuant to 49 U.S.C. § 47134, due to the acts, or failure to act by Private Operator; Private Operator admitting in writing it is unable to pay its debts, where due; if Private Operator shall make an assignment for benefit of creditors; in the event Private Operator becomes insolvent or files a voluntary petition under Title 11 of U.S. Code, or if such a petition is filed against it and an order for 90 days, etc.; or should a levy under execution or attachment be made against the premises or Private Operator's interest therein, and such execution or attachment shall not be vacated or removed by Court Order, bonding or otherwise within 90 days (Agreement, Section 26.1(a)-(j)).

c. Private Operator is required, under specific provisions of the Agreement (Section 7.1), to make capital improvements under a defined program. Private Operator, as part of the Application and the Agreement terms, must submit a five (5)-year Capital Improvement Plan, and submit an additional Capital Improvement Plan during the Term of the Agreement no less frequently than (5) years from the previously submitted Capital Improvement Plan (Agreement, Sections 7.1-7.2). Public Sponsor has retained certain approval rights and has retained consent relative to the material alteration or demolition of the existing improvements on the premises (Agreement, Section 7.16).

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 23**

d. On the termination day of the Agreement, Private Operator will deliver to Public Sponsor the possession and ownership of all improvements and installations constructed by Private Operator (Agreement, Sections 7.16-7.17). Private Operator, at the end of the Term, is further obligated to deliver to Public Sponsor executed counterparts of all subleases in effect; service and maintenance contracts in effect; maintenance records for the premises from either the commencement date or for the past six accounting years, whichever is shorter; a list of Private Operator's employees at the Airport; all permits in effect, relative to the Airport; Certificates of Occupancy in effect for the improvements; all transferable warranties and guarantees in effect on the equipment at the Airport; all financial reports, books and records as required under the Agreement; and any and all other documents which relate to the premises, along with a duly executed assignment to Public Sponsor (Agreement, Section 23.3).

e. At the termination of the Agreement, in the event Private Operator decides to sell the equipment owned by Private Operator in the operation of the premises, Public Sponsor has retained a first right of refusal to purchase the equipment under the same terms and conditions submitted by any third parties (Agreement, Section 23.7).

f. Public Sponsor may take over the operations of the premises, complete all construction required, repair and alter the premises as Public Sponsor

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 24**

may deem necessary, and may use any and all funds held by any depository, pursuant to the Agreement or under the required Letter of Credit (Agreement, Section 26.2(b)).

g. The Agreement is not assumable and/or assignable, pursuant to 11 U.S.C. § 365, without the express written consent of Public Sponsor. Should any event of default jeopardize the continuous, uninterrupted, safe use of the Airport or the health, safety and welfare of the public and other users of the Airport, Public Sponsor (and/or the FAA), exercising its police regulatory powers, is authorized to immediately take possession and control of the premises (Agreement, Section 26.7). *See also* 49 U.S.C. § 47134(i).

h. Consent must be obtained from Public Sponsor to provide fuel for marina use, to berth a gaming barge, or for establishment of a gaming facility (Agreement, Section 4.2).

i. During the Term of the Agreement, and in the event of the initiation by the FAA of any proceeding or investigation that could result in a loss of certification of the Airport or the exemptions under 49 U.S.C. § 47134, Public Sponsor shall have the right to direct the defense with counsel of its choice, said defense to be at the expense of Private Operator (Agreement, Section 4.8).

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 25**

j. Public Sponsor, at its election, has the right to pay or do any act that requires the expenditure of any sums of money by reason of the failure or neglect of Private Operator to perform any of the provisions of the Agreement. Private Operator is obligated to reimburse Public Sponsor all such sums together with interest thereon (Agreement, Section 5.12).

k. Capital improvement plans of Private Operator are subject to approval in writing by Public Sponsor prior to adoption or implementation (Agreement, Section 7.1).

l. Consent must also be obtained from Public Sponsor prior to demolishing, materially altering, or changing the existing improvements on the premises (Agreement, Section 7.16).

m. Prior to the last 10 years of the Term, written consent must be obtained by Private Operator from Public Sponsor for any demolition of any improvement constructed by Private Operator, which consent may not be unreasonably withheld (Agreement, Section 7.17).

n. During the last ten (10) years of the Term, Private Operator may not demolish any improvement Private Operator has constructed on the premises having a value in excess of \$200,000 without the written consent of Public Sponsor (Agreement, Section 7.17).

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 26**

o. Public Sponsor's prior written consent must be obtained prior to Private Operator or other users making capital investments in the premises (Agreement, Section 7.18).

p. Public Sponsor must give prior written consent to any capital investment whose amortization period expires subsequent to the Scheduled Expiration date of the Agreement (Agreement, Section 7.19).

q. Public Sponsor has retained the option to make repairs to the premises, if Private Operator fails to do so within a reasonable time after notice from Public Sponsor, at Private Operator's expense, or to terminate the Agreement (Agreement, Section 8.2).

r. In the event Public Sponsor does not provide security services at the Airport, and security services are provided by a third party, Public Sponsor has retained the right to approve said contract (Agreement, Section 10.2(C)).

s. In the event Private Operator fails to effect insurance as required, or to pay the premiums thereon when required, Public Sponsor has the right to acquire such insurance and pay the premises premiums therefor (Agreement, Section 12.15).

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 27**

t. Public Sponsor maintains approval rights over Private Operator's negotiation and settlement of all losses with insurance carriers (Agreement, Section 13.4).

u. Public Sponsor maintains approval rights over the procedures for the distribution of any casualty insurance proceeds by Private Operator, including the use of an escrow agent or insurance trustee on proceeds which exceed \$500,000 (Agreement, Section 13.5).

v. All insurance policies and endorsements to be obtained and maintained by Private Operator under the Agreement must be issued by companies approved by Public Sponsor (Agreement, Section 13.10).

w. All new or renewal policies replacing expiring policies during the Term of the Agreement must be satisfactory to Public Sponsor (Agreement, Section 13.11).

x. Public Sponsor reserves the right to impose a reasonable transfer fee in the event of an assignment of the Agreement (Agreement, Section 19.1).

y. Public Sponsor retains the right upon 48 hours' notice, except in cases of emergency when no notice is required, to enter the premises for the purpose of inspection and observation of the performance by Private Operator of the

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 28**

obligations of Private Operator, as well as performing any act or thing which Public Sponsor may be obligated or have the right to do under the Agreement (Agreement, Section 22.1).

z. Public Sponsor retains under its exclusive control and jurisdiction all aspects of its authority to control and prevent flooding in the City of New Orleans (Agreement, Section 22.2).

aa. Public Sponsor retains under its control final approval of assurance of an FAA/AIP regulatory and Grant Assurance compliance, enforcement of all of the required terms for the Airport's successful participation in the FAA Privatization Program, issuance of indebtedness by Public Sponsor, and any change to Wetlands and Environmental Mitigation Policy (Agreement, Section 22.3).

bb. Public Sponsor retains its duties under 49 U.S.C. § 47107(a)(7), (9) and (10) (Agreement, Section 22.4).

cc. If the Agreement is terminated or Private Operator is dispossessed by Summary Proceedings or otherwise, Public Sponsor may take over the operations of the premises, complete all construction required to be performed by Private Operator, and repair and alter the premises in such manner as Public Sponsor may deem necessary or advisable, and may apply all funds held by depository and by Public Sponsor under the Letter of Credit without relieving Private Operator of any

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 29**

liability, and/or re-let the Premises for the whole or any part thereof of the remainder of the Term, or longer (Agreement, Paragraph 26.2(b)).

dd. Public Sponsor shall have the right to suspend the Agreement for up to twenty-four (24) months at any time Private Operator is generally not paying its debts as they become due, unless such debts are the subject of a bona fide dispute, or if Private Operator acknowledges its insolvency and Public Sponsor is reasonably concerned about Private Operator's financial solvency, and is acting in good faith and in the valid and reasonable exercise of Public Sponsor's obligation to protect the health, welfare, safety and citizens of Louisiana (Agreement, Section 26.11).

4. *Description of the respective rights and responsibilities of each member of the private operator.*

a. AAC is an 80% owner (member) of Private Operator. AAC has the rights and obligations attendant to its 80% membership (ownership) interest, including the guarantee of any credit enhancement required under the Agreement. AAC shall unconditionally guarantee all obligations of Private Operator under the Agreement.

b. AAC shall be responsible for the operation of the Airport, coordination with the FAA and OLD, and community outreach. AAC will be responsible for security, guaranteeing conformity with grant assurances,

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 30**

guaranteeing compliance with all FAA requirements, investment in the Airport and its modernization, marketing of the Airport and its services, and enhancing the value of the Airport. AAC will have responsibility of the personnel on the Airport, the lease and concession administration, rates and fees analysis, master planning and development, and any other items required for the effective and safe operation of the Airport, its facilities and systems.

c. UPC is a 20% owner (member) of Private Operator, and has only the rights of a 20% member (owner) as established in the Private Operator's Operating Agreement.

d. UPC's responsibilities are to provide consultation to Private Operator regarding various ways to combine private and public money for the financing of capital projects; to provide local, ongoing coordination of the relationship between the Airport and Public Sponsor; to act as a local liaison with the State of Louisiana, the City of New Orleans and the Orleans Levee District; to assist AAC as liaison with Federal agencies on matters relating to the Airport; to assist NOLA's community outreach as it relates to local and state relations; to assist NOLA and Public Sponsor in meeting the disadvantaged business enterprise programs with regard to the Airport; and to assist in the development of both the aviation and non-aviation portions of the Airport.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 31**

B. *Financial terms of the transaction.*

1. *Amounts and timing of payments to the public sponsor.*

a. The Rent during the first, second and third Lease Years shall be the sum of \$300,000 per annum payable in quarterly payments, in advance, with the first quarterly payments due on the Commencement Date, and thereafter by no later than the first day of each quarter. Commencing in the fourth Lease Year and annually thereafter throughout the Term of the Agreement, the Rent shall be the greater of (A) \$300,000 (the “Guaranteed Annual Rent”), or (B) a sum equal to (1) 11% of the annual gross income not in excess of \$3,000,000 (the “Gross Income Baseline”), plus (2) 30% of the annual gross income in excess of \$3,000,000 (the “Percentage Rent”). The Guaranteed Annual Rent and the Gross Income Baseline shall be adjusted for Inflation commencing with the fifth Lease Year and each year thereafter during the remaining Term of the Agreement.

b. Commencing in the fourth Lease Year and thereafter through the Term of the Agreement, the Guaranteed Annual Rent shall be payable in four (4) equal quarterly payments, in advance, and by no later than the first day of each quarter. The Percentage Rent, if any, commencing in the fourth Lease Year and thereafter throughout the Term of the Agreement, shall be determined with respect to Gross Income during the preceding Lease Year and paid annually within forty-five (45) days after the last day of each Lease Year (Agreement, Sections 5.2-5.6).

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 32**

2. *Amounts of payments to public sponsor to be used, respectively, for airport purposes (including recoupment of the public sponsor investments not previously recovered) and other purposes.*

All rental payments to Public Sponsor under the Agreement will be used for OLD General Fund purposes. There are no plans to earmark any of the proceeds for specific airport purposes.

3. *Financing arrangements, including source of the funds used by the private operator for initial and future lease payments.*

- a. AAC and UPC will adequately capitalize Private Operator for the purpose of leasing and conducting operations immediately prior to the turnover of the Airport. The source of this initial capital shall be from AAC (90%) and UPC (10%). Future lease payments shall be made from Private Operator's revenue generated from NOLA's operating revenue. Private Operator shall be recapitalized as needed by AAC and UPC, with AAC providing 80% and UPC providing 20% of any additional necessary capital. If either AAC or UPC is unable to provide future funds, the other member will provide the necessary funds.

- b. Private Operator does not expect to use any debt as a source of funds to conduct operations and/or make rental payments under the Agreement.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 33**

c. Private Operator has agreed to provide Public Sponsor with a credit enhancement in the form of a Letter of Credit in the amount of \$1,000,000 as additional security for the lease payments and operations.

4. *Projected impact of the initial transaction on the fee structure for charges to airport users.*

a. There will be no impact on the fee structure for charges to Airport users.

b. The Joint Applicants foresee no fee impact on existing rents or costs. As Private Operator enhances, modernizes and upgrades the Airport, the property should increase in value. Existing leases are assumed as is. Since current Airport rents and fees are established in relation to fair market value, no major adjustment is necessary or anticipated. No change to the fuel flowage fee structure is planned. Private Operator will not seek any charge in excess of the statutory limit set forth in 49 U.S.C. § 47134(c)(4) and (5). Most all projected revenues are based on development of new business as a result of investments to be made or acquired by Private Operator.

5. *Projected impact of future lease payments to the public sponsor on the fee structure for charges to airport users.*

a. There will be no impact on the current fee structure. The ability of Private Operator to make rental payments to Public Sponsor will be enhanced

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 34**

through additional development, new ground leases, and fees derived from charter and regional service, and other aviation services developed at the Airport. These new sources of revenues will obviate any need for rate and charge increases.

b. The proposed fee structure is established as a guaranteed annual payment with a gross revenue percentage payment to Public Sponsor over a base amount. This base amount is increased by CPI annually. The lease payment structure was determined by providing Private Operator with adequate funds to cover Airport operational expenses and capital reserves, before payments are made to Public Sponsor. This structure will require no adjustments in the Airport rates.

6. *Other relevant financial net Lease Provision terms of the transfer.*

a. The Guaranteed Annual Rent and the Gross Income Baseline shall be adjusted for inflation commencing with the fifth Lease Year and each year thereafter during the Term of the Agreement.

b. The Percentage Rent threshold of \$3,000,000 exceeds operating expenses to a degree that will allow Private Operator to make capital investments in the Airport, incur additional operating costs, and still achieve adequate returns.

c. Private Operator shall be responsible during the Term of the Agreement for all repairs (with limited exceptions), all insurance premium

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 35**

payments and any ad valorem property taxes assessed on leasehold improvements constructed by Private Operator and its sublessees.

C. *Copies of all documents executed as part of the transfer.*

The Agreement and its exhibits are attached to and made a part of this Joint Application as Exhibit A.

D. *Request for confidentiality, with supporting information.*

1. AAC requests that all balance sheets and corporate financial information remain confidential. These confidential documents and information are protected from public disclosure under exemptions to the Freedom of Information Act (“FOIA”), specifically including 5 U.S.C. § 552(b)(4). The purpose of this exemption “is to protect the confidentiality of information which citizens provide to their government, but which would customarily not be released to the public, and to facilitate citizens’ ability to confide in their government.” *Burke Energy Corp. v. DOE*, 583 F. Supp. 507, 510 (D. Kansas 1984).

2. Exemption (4) exempts from public disclosure “trade secrets and commercial or financial information obtained from a person and privileged or confidential.” 5 U.S.C. § 552(b)(4). This exemption has been construed to prevent public disclosure of information that is not of the type usually released to the public, and that if released would cause substantial harm to the competitive position

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 36**

of the person from whom the information was obtained. *See, e.g., Gulf & Western Industries, Inc. v. United States*, 615 F.2d 527, 530 (D.C. Cir. 1980); *American Airlines, Inc. v. NMB*, 588 F.2d 863, 871 (2d Cir. 1978); *National Parks & Conservation Ass'n v. Kleppe*, 547 F.2d 673, 684 (D.C. Cir. 1976).

3. For information to qualify for exemption (4), the information must be (1) commercial or financial in nature, (2) obtained from a person, and (3) privileged or confidential. *See Public Citizen Health Research Group v. FDA*, 704 F.2d 1280, 1290 (D.C. Cir. 1983). The confidential information submitted in connection with this application qualifies for exemption from public disclosure under the above-detailed three-part test standard.

4. The documents and information relate to commercially sensitive, proprietary, and privileged financial and corporate matters. The information is obtained from a private citizen and is not of the type generally released to the public. *In National Parks & Conservation Ass'n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974), the court held that information is “confidential” for purposes of exemption (4) if it would not customarily be released to the public by the person from whom it was obtained, and if disclosure is likely to have either of the following results: “(1) to impair the Government’s ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained.”

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 37**

5. AAC submits that public disclosure of the type of confidential information at issue here would cause substantial harm to its competitive positions, and could impair the Government's ability to obtain similar information on a voluntary basis from individuals in the future.

- E. *Provisions in the lease conferring third party beneficiary rights on behalf of the FAA to enforce key obligations, giving the FAA the right to enforce directly against the private operator key obligations contained in AIP grant agreements and the assurances required by Section 47134.*

Private Operator agrees that if the FAA or any other governmental body having jurisdiction in connection with the obligations of Public Sponsor relating to the grant of Federal or State of Louisiana Funds with respect to the Airport makes any orders or regulations respecting the performance by Public Sponsor or Private Operator, Private Operator shall promptly comply therewith at its expense and, in addition to the foregoing, whether or not the FAA or any other governmental office or body having jurisdiction aforesaid specifically directs such compliance, Private Operator agrees that it will comply with such directions, orders, regulations and requirements as may be given by Public Sponsor to comply with any Grant Agreements with respect to the Airport, project applications, the Assurances set forth in the Agreement and any other Federal or State obligations or restrictions with respect thereto (Agreement, Section 15.2.; *see also* Section 9.5).

IV. QUALIFICATIONS OF THE PRIVATE OPERATOR.

- A. *Description of airport management and operations experience. The identity, experience, expertise and responsibility of key personnel. Description of the facilities and airports presently being managed by the company, both domestically and internationally. Experience of the constituent members and the proposed management structure to integrate operations functions.*

AAC

1. AAC provides high quality management, operations assistance, including security and safety, marketing, business development and land development services to nine air carrier, reliever and general aviation airports in the continental United States. In addition, AAC furnishes financial, marketing, business development, and management consulting services to other airports. For example, AAC is a member of a team retained to develop a study for the Georgia Aviation System Plan, encompassing over 100 airports. AAC's goal is to deliver the highest quality service, enhance the Airport's business growth, promote aviation, bring efficiency to the operations, and increase the value of the Airport to the community.

2. AAC is unique as an airport management firm because all key personnel have successful records and practical experience in developing airports and other facilities as project and airport managers. AAC exercises a hands-on

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 39**

approach with all contracts, and individual airport managers and regional managers have full responsibility and authority to address specific airport needs.

3. The aviation professionals at AAC work closely with each airport owner and the surrounding community to create a coordinated Master Plan for the management, marketing, and development of each airport and/or facility. AAC provides capital and/or assists in securing private capital for development opportunities at each airport.

4. AAC's structure provides the company with the maximum flexibility to address an airport's needs from consulting services to contract management of certain operational functions and contract management of entire facilities, including investment and construction of airports and airport facilities.

5. These services are furnished from AAC's corporate offices in Santa Monica and Atlanta, as well as AAC's airport project offices in nine cities in four states.

6. AAC operates all of its general aviation airports under FAA Part 139 standards wherever practical. Though this standard is not required for many airports, AAC believes it is in the best interest of any airport to maintain FAA Part 139 standards.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 40**

7. The Principals of AAC have substantial background in contracting to correct compliance issues, both in bringing airports out of non-compliance and in preparing for an upgraded airport role (see detailed examples below). Experience in this regard include the City of Galveston and the U.S. Department of Energy with regard to Los Alamos. No airports that AAC operates have been out of compliance while under AAC management.

8. AAC has considerable buying power in almost all aspects of the operation, such as insurance, travel, personnel benefits, equipment, etc. AAC, in conjunction with its affiliates, currently handles over 22,000 employees at 320 separate locations, with extensive food and beverage, retailing, and maintenance experience.

9. AAC has a full Management Information Systems Department dedicated to providing for, and constantly improving, AAC's network contact system for multiple locations.

10. AAC has a staff of 10 employees who are available exclusively to develop marketing collaterals and promotional and advertising items.

11. Summaries of AAC's airport projects and management experience are contained in Exhibit F.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 41**

12. Vice-President of Airports, Scott Fuller, who has over 25 years in operations experience, will directly oversee NOLA Operations. He will also act as the interim Airport Director and be the key person responsible for security and safety, and act as liaison to the FAA, Orleans Levee District, and local officials for purposes of Airport operation and certification.

13. Upon confirmation of the exact timing of the review and approval by the FAA of this Application, AAC will appoint the long-term Airport Director that will be best suited for this assignment. Scott Fuller will maintain primary responsibility for the Airport.

14. A transition management team is headed by Scott Fuller, Robert Clifford, and Kris Thabit, with supplemental help provided by Lane Sisung. Scott Fuller will be the key point of contact for all issues regarding turnover and on-going management of the Airport.

15. Summaries of the qualifications and relevant airport experience of AAC's in-house managers and key personnel who will be directly involved with the management of the Airport are contained in Exhibit G.

UPC

16. UPC is a real estate and business development and consulting company located in New Orleans, Louisiana. UPC provides municipalities, corporations, individuals, foundations and trusts with real estate, consulting and financial services.

17. UPC works with its real estate clients in activities ranging from location of suitable sites, evaluation of underlying real estate, and negotiation of terms, to working with municipalities and government agencies with regulatory issues and the securing of debt and equity financing needed to finance their projects. UPC has been involved in real estate developments ranging from multi-family complexes to single-family subdivisions, and from large commercial complexes to convention center hotels.

18. UPC also works with clients in business development and consulting. UPC and its affiliate entities provide an array of expertise and services to aid its business development clientele. UPC is affiliated with Sisung Securities Corporation, a full-service, NASD-registered broker-dealer; Sisung Investment Management Services, LLC, an SEC-registered investment advisory firm; and Sisung Capital, a venture capital firm located in Louisiana. Therefore, in addition to its own resources, UPC is able to leverage these resources in providing business

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 43**

development clients with multiple solutions to the various problems they face. The Chairman and founder of all four companies is Larry J. Sisung, Jr.

19. \$67,850,000 New Orleans Aviation Board (Passenger Facility Charge Revenue Bonds) Series 1994. During the period when Moody's and S&P were declining to assign investment grade ratings on bonds secured solely by passenger facility charge (PFC) revenues, Sisung Securities Corporation served as transaction Financial Advisor, and, in conjunction with others, created an early pre-pay LOC credit structure that allowed the New Orleans Aviation Board to sell rated debt solely on PFC Charge revenues. This structure allowed the aviation board to maximize the dollars raised from the PFC revenues to be spent on projects allowed under Section 1113(e) of the Federal Aviation Act, as amended.

20. \$9,720,000 Aviation Board (Revenue Bonds) Series 1990. UPC structured and oversaw the sale of Airport Revenue bonds to further the Airport Noise Compatibility Planning Program, FAR Part 150, to comply with the requirement that all FAR Part 139 airports install and maintain approved airfield Guidance Sign Systems, to create additional Runway Protection Zones, and to expand and improve the terminal, parking, airfield and roadway facilities.

21. UPC's services are furnished from its corporate office in the World Trade Center building located in New Orleans, Louisiana.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 44**

22. The Principals of UPC include previously high-ranking government and financial institution officials with extensive management and financial experience, as well as tax attorneys and investment bankers. These experiences and qualifications, coupled with governmental awareness, afford UPC an opportunity to effectively serve its clients by providing information and services that make a difference.

23. Summaries of the qualifications and additional experience of UPC's key personnel are contained in Exhibit H.

B. *Financial resources for operating/capital expenses of the airport. Balance sheet and income statement prepared in accordance with Generally Accepted Accounting Principles.*

1. Private Operator is a Louisiana limited liability company formed by AAC and UPC to operate NOLA. Private Operator is 80% owned by AAC and 20% owned by UPC. It shall be adequately capitalized with \$750,000 that covers all start-up and transition costs, and an original working capital balance. AAC will provide 90% and UPC will provide 10% of the initial funds necessary to conduct operations and provide for capital expenses, as required in the Agreement. After the initial capitalization, AAC will provide 80% and UPC will provide 20% of the funds necessary for the operation and development of NOLA.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 45**

2. Private Operator's funds for operating expenses are expected to be generated internally by virtue of Private Operator's ability to efficiently operate the Airport, control costs, and create new leases and additional revenue sources. If either AAC or UPC is unable to provide future funds, the other member will provide the necessary funds.

3. Private Operator does not expect to use any debt as a source of funds, with the exception of possible future income-generating capital projects.

4. Private Operator has agreed to provide Public Sponsor with a credit enhancement in the form of a Letter of Credit in the amount of \$1,000,000 as additional security for the lease payments and operations.

5. Attached hereto as Exhibit I (under seal) are year end 2001 and year end 2000 financial statements for AAC and affiliates, prepared in accordance with generally accepted accounting principles. These statements provide evidence that AAC has adequate funds for the initial capitalization of Private Operator. AAC requests that this information remain confidential. *See Application Section III.D.* for information in support of this request for confidentiality.

6. AAC has been in existence since late 1997, but did not experience any significant activity until 2000. As a result, 1997-1999 financials are not available.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 46**

7. UPC is a closely held family-owned LLC that has recently undergone a re-organization to change its entity status. There are no material assets or liabilities, as all activity is run through and out of UPC, and is funded from other entities.

C. *Timing/details of application for Part 139 certificate.*

Concurrent with approval of this Application and prior to turnover, Private Operator intends to revise the current FAA-approved airport certification manual and security plan for the Airport in order to ensure compliance with FAR Part 139 and 49 C.F.R. Part 1542. All applicable references to the OLD will be replaced with Private Operator's name, items such as distribution lists will be revised accordingly, and new letters of agreement will be in place with supporting agencies. These changes will be accomplished in advance so as to assure that when approval is granted, Private Operator can assume control of NOLA as soon as possible.

D. *Plan for compliance with 14 C.F.R. Part 107
(and 49 C.F.R. Part 1542).*

1. There currently is no approved FAR Part 107 (49 C.F.R. Part 1542) plan in effect for the Airport. A revised plan was submitted by OLD, but not acted on by the FAA pending outcome of the privatization process. FAA officials have indicated a willingness to proceed with review and approval at their request.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 47**

2. Private Operator intends to modify and revise this plan as necessary prior to turnover, and maintain and ensure compliance with FAA (and TSA) requirements and such plan for the foreseeable future.

- E. *Description of the private operator's capability of complying with the public sponsor's existing grant assurances, including the assurance of compatible land use around the airport; the protection of navigation aids, approach lights, runway safety areas, and runway protection zones; and the continuation and extension of aviation easements.*

Currently, AAC is responsible for assuring compliance with Grant Assurances at nine airport facilities. AAC has been retained by communities as a compliance expert, and in some cases, to rectify non-compliant conditions. Private Operator intends, and the Agreement requires, Private Operator to have full responsibility for assuring compliance with all Grant Assurances. This responsibility will include all monitoring and active protection of navigation aids, approach lights, runway safety areas, and runway protection zones; and the continuation and extension of aviation easements. The Agreement further obligates Public Sponsor to support Private Operator on issues Private Operator cannot fully effectuate itself, such as land acquisition, easements, and condemnations.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 48**

- F. *Affiliations with air carriers or other persons engaged in aeronautical business activity at an airport (other than airport management).*

One of AAC's affiliates, and an operation that is managed by AAC, is Supermarine of Santa Monica, a Fixed Base Operator located at the Santa Monica Airport.

- G. *Description of all charges of unfair or deceptive practices or unfair methods of competition brought against the private operator, the private operator's key personnel and, the separate members of the private operator in the past 10 years. The description should include the disposition or current status of each such proceeding.*

There have been no such charges.

V. REQUESTS FOR EXEMPTIONS.

- A. *Exemption requested by the public sponsor under 49 U.S.C. § 47134(b)(1), from the prohibition on use of airport revenue for general purposes, including the amount of funds involved. The description should include sale or lease proceeds as well as funds in existing airport accounts that would be transferred to general accounts.*

Consistent with the provisions of the Airport Privatization Statute, Public Sponsor hereby requests an exemption pursuant to 49 U.S.C. § 47134(b)(1) from the restrictions on use of airport revenue to permit Public Sponsor to use all of the proceeds derived from the Agreement for General Fund purposes. Specifically, Public Sponsor requests a release from 49 U.S.C. §§ 47107(b) and 47133, as well as airport Grant Assurances, Surplus Property Act obligations, and any other law or

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 49**

regulation to the extent necessary to permit Public Sponsor to use the proceeds of the Agreement for General Fund purposes.

- B. *Exemption requested by the public sponsor under 49 U.S.C. § 47134(b)(2), from the requirement to repay Federal grants funds or return property.*

Public Sponsor hereby requests an exemption from the provisions of 49 U.S.C. §§ 47107 and 47152 (and any other law, regulation, or Grant Assurance) requiring the repayment to the Federal Government of grants received by Public Sponsor on behalf of the Airport under the provisions of the Airport and Airway Improvement Act of 1982, the Military Airport Program, the Surplus Property Act, or any other law. As described elsewhere in this Application, Private Operator has developed an adequate plan to ensure compliance with existing Grant Assurances (other than those that will be waived by approval of this Application).

- C. *Exemption requested by the private operator under 49 U.S.C. § 47134(b)(3), from the prohibition on use of airport revenue for general purposes.*

1. Private Operator hereby requests an exemption from the provisions of 49 U.S.C. §§ 47107 and 47133 and any other law, regulation or Grant Assurance, to the extent necessary to earn compensation from Private Operator's investment and risk undertaken in operating the Airport over the Term of the Agreement. As detailed in its Capital Improvement Plan, Private Operator is undertaking a substantial redevelopment of the Airport facilities.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 50**

2. Industry forecasts foretell an annual growth in aviation of about two percent per year. If the Airport is built out, generally this would be the amount of growth to plan on and use in budgeting and determining future revenues. Exceptions are normal, especially where an operation utilizes aggressive marketing efforts and recognizes that the mix can be modified to increase revenues higher than norm.

a. NOLA has available sites for development, and through application of standard rates airport-wide, which the Board has already adopted, it will exceed the industry growth rate for the short-term period of five to seven years. The opportunity exists for NOLA exponentially to increase revenues with existing facilities and little impact to activity by addressing high return operations.

b. Specifically, promoting charter operations to and from the Airport could significantly increase Airport revenues. The strong financial impact from one charter operation, when compared to a corporate operation, demonstrates the wisdom of emphasizing such promotional activities. As Private Operator's pro forma shows, the impact from a two percent increase in operations (takeoffs and landings) can result in an increase of one hundred percent in revenues. Thus, it is Private Operator's position that to maximize the benefit of the Airport and financial return to the Board, Private

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 51**

Operator should focus marketing and business development efforts on improving this existing activity, as well as the development of corporate and aviation support businesses.

c. Private Operator strongly believes that pursuing the following two key projects are in the Airport's best interest: (1) the proposed runway extension and (2) replacement of the terminal building. It is important to note that neither of these projects is required to reach the projections that are shown in NOLA's fifteen-year pro forma with the financial proposal. The purpose of the runway extension is safety, by providing a longer overrun, environs compatibility, and maximizing the efficiency of existing aircraft operating at the facility. The longer length also allows aircraft to carry more fuel and travel further distances.

d. The purpose of the terminal replacement is to create a better, more functional facility. While the current facility can operate functionally well into the future, the costs of maintenance continue to increase due to age. In addition, the terminal presently does not feature the basic comforts and capabilities that today's travelers require. With the electronic and wireless activity on the Airport increasing daily, the new facility would be designed to modern standards needed to properly manage the wireless technology and meet industry needs. A new terminal, in addition to other

items, would provide advertising, flight information, rental cars, concessions, and lounges. Private Operator's policy would be to manage and license to wireless users at NOLA access to the Airport's wireless system, as opposed to allowing all users to inundate the capacity with little revenue to the Airport. Private Operator is aware of one facility that is generating over \$2,000,000 in fees from wireless applications.

e. Private Operator's mission, with regard to terminal operations, will be to utilize AAC's extensive network in the travel, aviation, and cargo industry to enhance and improve on existing activities. AAC will concentrate on the increasing development and cater to charter operations in support of the convention and tourism business in the New Orleans area. NOLA is a superior facility for accommodating this type of service due to its proximity to the downtown New Orleans area and lower costs of operation. Private Operator will actively be involved in the hotel, chamber, and service organizations in the area, and take an aggressive role in packaging and supporting promotions, marketing, and facilitating tour packages and convention support. Direct contact and proposals will be made to existing nationally recognized tour operators and charter companies such as Apple Tours and ATA. Operators such as these have longstanding relationships with each other, which will work to the Airport's advantage.

f. The management software program utilized by Private Operator provides for marketing analysis and the tracking of showings and inquiries, demographic information, and summary reports, to assist and organize marketing activities. These include those efforts provided onsite as well as enhancing communications with regional offices designed to support the continued development of NOLA.

g. The Airport is poised to accommodate these services, but lacks certain amenities that detract from the impression and image New Orleans deserves. Lack of congestion allows for quicker arrival and departure times, which are major costs in the charter industry. The obvious shortfall is the lack of all-weather access to aircraft from the terminal, to which today's passenger is acclimated. Private Operator, therefore, has included the provision of jetways designed to serve two parking operations on the terminal ramp in its short-term improvements.

h. Casino charters are accommodated with passengers transferring through the terminal to waiting buses and limousines, with luggage being loaded and transported to rooms via courier truck. However, with international (unless pre-cleared) or multi-tour charters, luggage is claimed and transferred to the awaiting ground transport for transportation to the correct hotels. Private Operator, therefore, has identified the need for

improved baggage handling and customs accommodation facilities for the Airport's short-term needs. Private Operator also will include the provision for improved terminal concessions to occupy waiting passengers and increase revenue through the competitive bid process.

i. Private Operator has already held discussions with one of the major success stories to come along in the airline travel industry. This group previously identified the New Orleans area as a market ready to accept their upscale limited service to the northeast with brand new jet service on a limited basis. The group in question has firm orders on new aircraft for the next few years and a business plan that Private Operator believes will be very beneficial to NOLA and its users for many years to come.

j. To accommodate and expand current marketing efforts, Private Operator will earmark one-half percent of gross revenues to be dedicated to marketing and business development activities. These activities would include advertising, exhibits, and conference sponsorships.

k. The 2000 projections from NOLA's Master Plan assume an average of one charter flight per day with a Boeing 727 as the critical design aircraft and passenger load factors of 80% to 90%. This would result in year

2000 activity of 700 charter operations and 93,600 total passengers (enplaned/deplaned or total). The 2005 projections assume an average of three charter flights per day using the MD-80 aircraft as the critical design aircraft, again, with 80-90% load factors. The total operations for year 2005 would be 2,900, with 406,800 passengers. The 2015 projections assume an average of four charter flights per day with the MD-80 as critical aircraft. The total operations for the year 2015 would be 3,600 and the total passenger count 514,800.

l. Private Operator's first year projections exceed those shown in the Airport Master Plan. The Boeing 737-300 is AAC's critical design aircraft. The load factors used are 80% for charter, and 65% for scheduled charter operations. Scheduled charter is defined as serving a particular destination on a regular basis.

m. Private Operator will continue to work with charter carriers to open markets to NOLA. Private Operator will pursue opportunities with international operators such as Air London, Air Tours, Britannia, City Bird, Condor, LTU, Monarch, and others. In recent years, the market and demand for international charters have increased in the U.S. Private Operator believes there are many opportunities for this market at NOLA. Private

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 56**

Operator's projections identify a potential of one million-plus passengers per year by the year 2015.

n. Listed below are potential revenue areas located in the terminal building for charters and concessions as identified in the Airport Master Plan:

Airline Revenue Space – 14,960 s.f.

- Ticket counter – 560 s.f.
- Ticket counter passenger queuing – 700 s.f.
- Ticket office – 1,400 s.f.
- Outbound baggage – 2,800 s.f.
- Inbound baggage delivery – 1,400 s.f.
- Baggage claim – 1,400 s.f.
- Operations and maintenance – 2,800 s.f.
- Departure area – 3,900 s.f.

Concessions-Food – 4,075 s.f.

- Food service and preparation – 3,056 s.f.
- Cocktail lounge – 1,019 s.f.

Concessions-Other – 2,647 s.f.

- News/gifts/sundry sales – 1,381 s.f.
- Car rental – 556 s.f.
- Other concessions – 710 s.f.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 57**

- o. Market rates and charges at similar-size airports:

Dane County Regional Airport Terminal Fees

- Terminal space rental - \$24.70 per s.f./yr for signatory carriers; \$36.72 per s.f./yr for non-signatory carriers.
- Loading bridge fee - \$13.87 per s.f. for signatory and non-signatory
- Concession fees on gross receipts - Restaurant 16.5% of gross, Alcohol 21.0% of gross, Gift Shop 10% on required items such as travel necessities and permitted items 16% of gross.

Melbourne International Airport Terminal Fees

- Ticket counter - \$27.61/sf/yr
- Office space - \$24.10/sf/yr
- Baggage make-up - \$17.66/sf/yr
- Loading bridge (assigned) - \$38,367 per year

p. Additional revenue sources include the parking garage area, which can produce the largest amount of revenue per year. The Master Plan shows a three-level parking garage at the new terminal facility. The total spaces for the garage are 1710 for long-term, short-term, and car rental ready/return and storage. Dane County Regional Airport has 1835 spaces that generate \$3.7 million in revenues per year. Typical parking rates for long-term and short-term parking are:

- Long-term ramp parking - \$6.00 per day
- Short-term ramp parking - \$9.00 per day
- Surface lot - \$4.00 per day
- Shuttle lot - \$5.00 per day

q. AAC utilizes a simple approach to the financial operation of an airport by dividing revenues into two categories: rentals and fees. AAC's methodology to rentals is to obtain fair market value for rental of facilities and/or property. To acknowledge and provide assurance to the FAA that facilities improved with aviation trust funds will be utilized for aviation purpose, AAC adds a premium for non-aviation use of airport land or facilities, where such use is authorized. In view of the fact that the Airport is receiving no aviation service from this user, we typically establish a premium of 25% over standard rates.

r. Revenues from rental rates should be dedicated to the improvement, addition, renewal or replacement of facilities and other airport fixed assets, which, in turn, generate additional revenues. This is Private Operator's goal with regard to NOLA.

s. AAC's methodology with fees is to establish rates based upon, and recover the costs of, providing services. Services include airfield maintenance, rescue services, fuel services, and utilities -- all operating costs associated with airfield activities. The bulk of these fees comes from (and rightfully so) commercial operations. These include air taxi, maintenance, air carrier, etc. Even with based operators, the premise is, if a runway or

airport is utilized to derive income and operate a business, then a fair and equitable fee is due in return for the privilege, and is a way of reimbursement of costs to the airport for providing the opportunity.

t. A longstanding practice in the southern region is to charge commercial fees for commercial use, but accept the presence of a fuel flowage fee as a fee to non-commercial users for use of the airport. Unfortunately, many visitors or transient customers do not buy fuel and enjoy the privilege of using a multi-million dollar facility free of charge. AAC believes in the future, the presence of non-commercial landing fees will come into being in this region, as it already exists in others. Private Operator has no desire to be the champion or torchbearer for this cause, however. Private Operator would reserve the right for consideration of the same by OLD at an appropriate time, when this procedure becomes more customary to the industry.

u. AAC utilizes a basic triple net lease approach to develop land leases as well as for leasing of existing properties. Private Operator will comply with conditions of the Agreement, properly reference, and encompass the same in all Airport agreements, extending beyond one year. Private Operator will promote available land sites for commercial, corporate, and storage use consistent with Master Plan terminal area layouts.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 60**

v. “Commercial” includes such uses as small package freight, aircraft maintenance, avionics sales and repair, aircraft sales, and fixed base operations. Competition being the most important criteria for assuring the availability of first-class service, it would be Private Operator’s desire to see no less than three full-service competitive fixed base operators on the Airport at all times. Minimum Standards will routinely be reviewed to assure the viability and presence of a fair and competitive platform for these firms to operate, while assuring the incentive for them to market and solicit new business for the Airport. A competitive process will be used where opportunities exist for new entrants with criteria for selection published up front. Fees and rates for such activities will be consistent with industry standard and in compliance with the privatization program.

VI. CERTIFICATION OF AIR CARRIER APPROVAL.

A. *Certification that air carriers meeting the requirements of 49 U.S.C. § 47134(b)(1)(A) approve the exemption described in Part V.A. above.*

1. There were a total of 19 and 25 air carrier (Part 121) flights logged by the FAA Tower at NOLA for the years 1999 and 2000, respectively. None of these Part 121 operators were based, or had a lease or use agreement, at the Airport. As such, no carrier has conducted over 50 flights in the preceding calendar year. Additionally, due to the low activity, information on landed weights is not kept.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 61**

2. There was a significantly higher number of air taxi (Part 135) operations recorded by the FAA over the same period. A review of all Airport agreements indicates that there are no current lease or use agreements on the Airport for any Part 135 operators. There are, however, two operators occupying space under agreements that have been expired for over one-and-one-half years. These operators were given the opportunity to address the privatization effort and their letters of approval are attached hereto as Exhibit J.

- B. *(1) List of all U.S. air carriers serving the airport, carriers conducting operations at the airport under authority of 14 CFR Part 121 that have a lease and/or use agreement at the airport or that conducted at least 50 flights under such authority in the preceding calendar year; all carriers conducting operations at the airport as a commuter air carrier within the meaning of 14 CFR Part 298 that have a lease and/or use agreement at the airport or that conducted at least 50 flights under such authority in the preceding calendar year; and all operators conducting operations at the airport under authority of 14 CFR Part 135 that have a lease and/or use agreement at the airport and that have at least one aircraft used in Part 135 operations based at the airport, excluding any carrier that is not currently serving the airport or that has responded to a solicitation or submitted a proposal to serve as a private operator or participate in a private operator consortium at the airport; (2) List of the air carriers that have approved the exemption; (3) Total landed weight of all operations by air carriers listed under VI.B.1 above at the airport for the preceding year; (4) Total landed weight of each air carrier listed under VI.B.1 above that has approved the exemption; and, (5) List of carriers serving the airport in the previous or current year but excluded from the list in VI.B.1, with the reason for exclusion.*

See response to item VI.A., above.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 62**

- C. *Copies of each document indicating air carrier approval of or objection to the exemption requested.*

See response to item VI.A., above.

- D. *Description of consultation with foreign air carriers serving the airport on proposals for air carrier approval under 49 U.S.C. § 47134(b)(1)(A).*

There are no foreign carriers serving the Airport.

VII. AIRPORT OPERATION AND DEVELOPMENT.

- A. *Description of how the private operator, the public sponsor, or both, will address the following issues with respect to the operation, maintenance, and development of the airport after the proposed transfer:*

1. *Part 139 certification.*

a. AAC has developed many Part 139 operating manuals for others as well as itself at Part 139 airports it operates. Recently, AAC completed a Part 139 manual at the request of Los Angeles County for William J. Fox Airfield in Lancaster, California, in anticipation of an enhanced role for the airport.

b. Application has been made to the FAA Southwest Region in Fort Worth for a Part 139 certificate in Private Operator's name. It is Private Operator's intent to operate and maintain the Airport operating certificate in its current or enhanced status.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 63**

2. *Continuing access to the airport on fair and reasonable terms and without unjust discrimination, in accordance with section 47134(c)(1).*

- a. Private Operator will provide continued access to the Airport on fair and reasonable terms in accordance with Section 47143(c)(1). The Agreement between Public Sponsor and Private Operator provides for assurances that there will be competitive Fixed Base Operations at all times. Additionally, if Private Operator provides services, or is required to provide services, including fixed base services, it will be on the same terms and conditions as all other users at the Airport.

- b. Specific language expressed in the FAA pilot program relating to the assurance of openness of the Airport to the public without unjust discrimination has been included in the Agreement. AAC has demonstrated, in its history of developing underutilized airports and locations, its ability to operate airports on such basis.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 64**

3. *Continued operation of the airport in the event of bankruptcy or other financial or legal impairment of the private operator, in accordance with the specific terms of section 47134(c)(2). Legal opinion and certification that the proposed plan will be effective under operation of all applicable law, including, but not limited to, bankruptcy law.*

a. Public Sponsor can assure the continued operation of the Airport in the event Private Operator encounters financial difficulty, including the filing for bankruptcy protection, and as a result fails to operate the Airport in accordance with all laws, regulations and other legal requirements, including without limitation, FAA Grant Assurances.

b. Under Section 365(d)(3) of the Federal Bankruptcy Code, if Private Operator files a petition for bankruptcy protection, Private Operator as debtor in possession (or a court-appointed bankruptcy trustee) is required, unless and until the Agreement is rejected by Private Operator, to perform its obligations under the Agreement, which include an obligation to operate the Airport in accordance with all laws, regulations and other legal requirements, including without limitation, FAA Grant Assurances. In the event the Agreement is rejected by Private Operator, the Airport reverts to Public Sponsor.

c. Under Section 362(b)(4) of the Federal Bankruptcy Code, the OLD (which is a “governmental unit” under Section 101(27) of the Federal Bankruptcy Code) may enforce its police powers without regard to the “automatic stay” that

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 65**

affects commercial creditors immediately upon a debtor's bankruptcy filing.

Therefore, Section 362(b)(4) of the Federal Bankruptcy Code gives Public Sponsor the right, in the event Private Operator fails to operate the Airport in accordance with all laws, regulations and other legal requirements, including without limitation, FAA Grant Assurances, to enter upon the Airport and to operate the Airport to promote order, safety, health and the general welfare under a claim of the proper exercise of its police power.

d. A legal opinion and certification that the provisions of the Agreement constituting the Joint Applicants' proposed plan for continued operation of the Airport will be effective under operation of all applicable laws are set forth in Exhibit K.

4. *Maintenance, improvement, and modernization of the airport, in accordance with section 47134(c)(3), including the public sponsor's most recent 5-year capital improvement plan (CIP) and the 5-year CIP proposed by the private operator.*

a. Public Sponsor's most recent 5-year CIP is attached hereto as Exhibit L; Private Operator's CIP is attached hereto as Exhibit M .

b. Private Operator's completion of its proposed CIP is premised on the availability of federal grant funds, PFC revenues and market demand. The sources for Private Operator's share are to be retained earnings from the Airport, airport

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 66**

revenues, and equity provided by Private Operator. From time to time as applicable, Private Operator may utilize conventional debt or public debt instruments to fund certain improvements. This debt is not critical to carrying out the CIP, and will be used primarily for the development of the income-generating properties and facilities at the Airport.

c. It is understood that projects for which AIP funding has been applied and approved by the FAA prior to the turnover will qualify for existing levels of AIP funding.

d. Funding for many capital projects will be directly related to the viability of the business at the Airport. Private Operator's investment will be based on (1) realization of passenger and cargo throughput levels, revenues and costs, and other business planning targets set forth in Private Operator's proposal; (2) the commitment of third party groups to develop related facilities; (3) market demand for certain facilities; and/or (4) operational necessity for the continued operation of the Airport.

e. In addition, the Airport will have access to the services of UPC's affiliated company, Sisung Securities Corporation ("SSC"), in locating additional sources of funds. SSC, located in metropolitan New Orleans, Louisiana, is a registered securities broker-dealer and financial investment advisory company.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 67**

The firm provides securities and financial services to numerous public, retail and institutional entities. Services include underwriting of securities, mergers and acquisitions, financial advisory services, and broker-dealer trading and sales. The professionals in SSC possess a myriad of business, management, consulting and financial experience in both public and private sectors, and have participated in the raising of over \$6 billion of funds for various capital and operational projects of numerous clients. SSC has an extensive list of municipalities as clients and has worked with these clients in obtaining billions of dollars of funds for capital improvements such as roads, drainage, sewerage, etc. Additionally, SSC has served as the Financial Advisor to New Orleans International Airport and therefore has experience in working with airports. SSC has already begun to structure a municipal debt instrument for airport improvements and has additionally begun to explore the possible placement alternatives for such a financing vehicle.

f. The Agreement provides that Private Operator will secure a credit enhancement in the form of a Letter of Credit (LC) in the amount of \$1,000,000 for the benefit of Public Sponsor, in the event that Private Operator defaults under the terms of the Agreement and is no longer able to operate the Airport. This LC will allow Public Sponsor to take over, transition and commence operations of the Airport without financial hardship.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 68**

g. Private Operator will build new facilities at the Airport at market rates, and as the market dictates. Additional parcels will be available for ground lease, allowing lessees to build and finance their own facilities, or other facilities, at NOLA. The title will vest with the Airport immediately upon completion unless otherwise approved by Public Sponsor, with the lessee enjoying a suitable term of use and occupancy enabling it to receive an acceptable return on its investment.

5. *Compliance with the limitations on air carrier fees, pursuant to section 47134(c)(4), not imposed for funding of new capital development undertaken after the transfer to the private operator.*

Since no air carrier under either Part 121 or 135 serves NOLA, this section presently has no impact. In the event that an air carrier or air carriers would qualify under this section, Private Operator and Public Sponsor would comply.

6. *Compliance with the limitation on general aviation fees described in section 47134(c)(5).*

Under the terms and conditions of the Agreement, Public Sponsor and Private Operator recognize and agree that as provided under Section 47134(c)(5), increases in general aviation fees are limited to rates of inflation unless general aviation tenants agree to such other charge.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 69**

7. *Maintenance of safety and security at the airport, in accordance with section 47134(c)(6).*

a. Private Operator has scheduled a number of meetings with the Regional and Airport District Offices to inform, provide open communication, and address necessary actions to facilitate turnover and assure compliance with operating requirements. Private Operator will utilize a twenty-four hour operations department and maintain requirements of FAR Parts 139 and 107 (and 49 C.F.R. Part 1542) with regard to safety and security of the Airport. An Airport Safety Committee will be established and will meet on a monthly basis, with tenant representatives and members of the public invited to attend. The purpose of this committee will be to evaluate any problems with current operations, identify desired safety improvements and Airport needs, and enhance communications between the administration and users. This committee's activities and recommendations will be made to Public Sponsor as part of a monthly report. In addition, Private Operator intends to enhance and maintain Public Sponsor's existing mechanism utilizing Private Operator's personnel and mechanisms for communicating with Airport tenants, users, and the public on safety and security issues.

b. AAC submitted in its proposal to Public Sponsor a proposed emergency/contingency plan and security plan consistent with FAR Part 139.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 70**

c. Private Operator will work with Fort Worth Offices to modify, as appropriate, existing manuals and procedures to comply with applicable FAA and TSA regulations on the airfield.

8. *Provisions for mitigation of adverse effects of noise from airport operations, in accordance with section 47134(c)(7).*

a. Private Operator has developed a preliminary noise abatement program, which includes the following features:

- Establishment of the first noise abatement office and noise abatement officer at NOLA.
- Working with the FAA to establish a preferential runway system (i.e., a right-hand turn pattern).
- Designation of noise-sensitive areas in published Airport procedures.
- Description of the Airport and surrounding areas as noise-sensitive in all publications.
- Continued supervision of the noise abatement efforts and results by Public Sponsor.

b. Moreover, the Agreement includes key noise mitigation provisions that meet or exceed the requirements of 49 U.S.C. § 47134(c)(7): Pursuant to Section 4.7, Private Operator agrees to comply with all reasonable requirements imposed by Public Sponsor with respect to the adverse effects of noise from Airport operations that are necessary to achieve the objective of mitigating noise to the same extent as at a public airport.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 71**

c. Under Section 10.2.t. of the Agreement, Private Operator agrees to properly manage any noise issues arising from the operation of the Airport. In connection therewith, Private Operator agrees to establish within 120 days of the Agreement commencement date a Noise Abatement Office for the Airport and designate a Noise Abatement Officer who will be responsible for the development, management and oversight of the noise abatement program and serve as primary liaison with the community; establish a noise hotline and respond to complaints within 48 hours; and establish a committee, including representatives from the community, Airport tenants and users, the FAA, State representatives, and Public Sponsor, which will meet regularly to discuss noise and environmental issues. The purpose of such a program will be to provide for the most compatible operation practical within the surrounding environs of the Airport and to establish good relationships with Airport neighbors.

d. Section 10.2.t. also requires Private Operator to maintain published procedures for noise abatement and allows for the designation of noise sensitive areas as provided for in FAA Advisory Circular 91-36B; requires Private Operator to make quarterly reports to Public Sponsor of noise complaints received, including the date, time, location, nature of the disturbance, results of monitoring operations, and other information as reasonably requested; requires Private Operator to conduct periodic reviews of published noise contours for the Airport, establish a preferential

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 72**

runway use policy, as approved by the FAA, establish an approach/departure policy to minimize the effects of noise as approved by the FAA and cooperate with local governmental agencies to insure land use compatibility on and off the Airport; requires Private Operator to utilize, as necessary, noise measurement and monitoring devices; and, again, requires Private Operator to implement any and all reasonably necessary procedures to mitigate the adverse effects of noise from operations at the Airport to the same extent as at a public airport.

e. Also under Section 10.2.t., the Joint Applicants acknowledge that a noise contour analysis using the FAA's Integrated Noise Model (IMN) Version 4.11 was performed for the Airport and published in NOLA Master Plan Update dated October 1996. Recognizing this analysis, Private Operator would be required to perform an environmental assessment in compliance with FAA Order 5050.4A prior to any project which would result in a 1.5 Ldn or greater increase in noise over any noise sensitive area located within the 65 Ldn contour. Private Operator would be allowed to continue the project only if the FAA issues a finding of no significant impact from the study. Private Operator further acknowledges and agrees that if the impact from any new or expanded operation causes future noise contours to exceed 1.5 Ldn over the future contours depicted in the 1996 Master Plan Update for any noise sensitive area, Public Sponsor may require Private Operator to apply for FAA funding of, and upon receipt of such funding proceed

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 73**

with, Part 150 Airport Noise Compatibility Planning. Furthermore, if a Part 150 study concludes that restrictions on the Airport are required in order to protect previously compatible uses of residences, schools, churches, parks or other non-commercial facilities, the Joint Applicants, upon Public Sponsor's request consistent with the Part 150 conclusions, are required jointly to file a notice requesting FAA Part 161 review of such possible restrictions.

9. *Provisions for mitigation of adverse effects on the environment from airport operations, in accordance with section 47134(c)(8).*

a. Private Operator will be subject to all applicable environmental requirements under both State and Federal law. All development at the Airport is subject to review and approval by Public Sponsor as fee owner and landlord in accordance with all applicable environmental laws, including the Louisiana Department of Environmental Quality, if applicable.

b. In conjunction with Public Sponsor, Private Operator will be required to mitigate any adverse impacts on the environment from Airport operations, at least to the same extent as at a public airport.

c. Within ninety (90) days of the Agreement commencement date, Private Operator will implement an environmental compliance assurance plan (ECAP) for the Airport. The ECAP will provide assurance of compliance by

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 74**

Private Operator to OLD with all environmental laws which are applicable to the operations of the Airport.

d. In common with airport operations throughout the United States, Private Operator will consult with Airport users, the FAA, and Public Sponsor on environmental issues at NOLA.

e. The Agreement includes key provisions for mitigation of adverse effects on the environment that meet or exceed the requirements of 49 U.S.C. § 47134(c)(8): Pursuant to Section 4.7 of the Agreement, Private Operator agrees to comply with all reasonable requirements imposed by Public Sponsor with respect to the adverse effects on the environment from Airport operations that are necessary to achieve the objective of mitigating such adverse effects to the same extent as at a public airport. In addition, Private Operator is obliged to manage any environmental issues arising from the operation of the airport under Paragraph 10.2.t., as described in detail in Paragraphs VII.A.8.c.-e. above.

10. *Recognition that section 47134(c)(9) provides that any collective bargaining agreement that covers employees of the airport and is in effect on the date of the sale or lease of the airport will not be abrogated by the lease.*

There are no collective bargaining agreements between employees of Public Sponsor and Public Sponsor. All employees of Public Sponsor have been assured by Private Operator that there will be opportunities for positions for all qualified

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 75**

Public Sponsor employees at NOLA under Private Operator management. For those employees of Public Sponsor not hired by Private Operator, Public Sponsor will offer them positions with Public Sponsor to the extent available. Failing that second alternative, state law provides that Public Sponsor must file a proposed plan and must receive approvals thereof.

11. *The private operator's intentions regarding consultation with general aviation users regarding the planned privatization of the airport, and the projected effect on general aviation of the proposed changes in operation and management of the airport.*

a. AAC has conducted a number of preliminary conferences with commercial and general aviation users since receiving permission to do so as a result of the conclusion of the selection process. A number of public information meetings already have been held on behalf of the community and Airport users, which were well attended. Public Sponsor and Private Operator have consistently stated their intent and commitment to provide a competitive facility with improved services on a fair and non-discriminatory basis.

b. Public Sponsor has staunchly defended that the only way for this privatization effort to be successful for Public Sponsor and Private Operator is through the provision of first-class services and the development of general aviation. Inherent in such a statement is the commitment that Private Operator must provide safe facilities at competitive rates. Under the Agreement, Private

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 76**

Operator is required to honor all existing agreements at the Airport. All future agreements will be at fair market value in compliance with FAA Grant Assurances for the Airport to maintain a self-sustaining operation to the best of its ability.

c. Private Operator uses a number of procedures to consult with and achieve coordination with users. Foremost in such a process is the inclusion of commercial tenants in the development, review, and/or revision of minimum standards. Comments and requests from tenants that are not bound by Airport obligations in their lease will be reported monthly to Public Sponsor. Status of pending actions concerning Airport obligations to tenants, if any, will also be included.

d. Private Operator will respond to any tenant request within two working days. If an action is required that cannot be accomplished within that time period, or if information needed to determine action is not available within the two working day limit, Private Operator will respond with an expected delivery date of such action or decision.

e. There will be no negative effect on general aviation at the Airport as a result of any changes in the management of the Airport. It is Private Operator's goal and expectation to improve general aviation operations and facilities at NOLA noticeably. The Airport Director will report monthly, or more often as needed, to

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 77**

Public Sponsor's Board. Corporate representatives, mainly Scott Fuller, Robert Clifford and Kris Thabit, will be on site as needed to train, support and assist staff, respond to Public Sponsor's requests, and further, on an intermittent basis, as workload requires and allows.

f. The Airport Director will be available to Public Sponsor's staff on a daily basis, as he is with the Board. In addition to the Airport Director, Public Sponsor's staff will have complete access to all management staff for needed assistance and/or coordination at all times.

g. A community information relations plan will be completed within ninety (90) days of the Agreement commencement date, identifying attributes of the facility along with the purposes of business aviation. A speakers' bureau will be established identifying NOLA co-workers to speak to interested community groups on specific subjects. Private Operator's management team will be encouraged to participate in professional and community groups and continually be a source of correct information for the local area.

h. Private Operator's staff is active in many professional associations throughout the country including state, regional and national airport associations, and civic and charitable organizations. AAC is proud of its record of participation, including positions as Past Presidents of State Associations, Advisors for Aviation

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 78**

Management Programs for F.I.T., Embry Riddle Aeronautical University, Oklahoma State and others, and presentations to professional groups on various subjects.

i. Private Operator will view each citizen complaint, noise or otherwise, as an opportunity to educate the public about the benefits of aviation, the Airport, and the potential to acquire another Airport advocate. Based on AAC's past experience, Private Operator's policy will be to take the time to listen and discuss a situation with members of the public in order to reduce the potential for adversarial confrontations.

j. Private Operator will confer and cooperate with groups interested in the operation of the Airport, including, but not limited to, the National Business Aircraft Association, local aviation and pilots' groups, and the Aircraft Owners and Pilots Association.

k. The Airport Director and other Airport staff will meet with the local and regional offices of the FAA, State DOT, City, and other interested parties as necessary to communicate the needs, benefits, actions, plans, obtain required approvals, and more often, to establish good working relationships, and build trust and cooperation.

12. *The private operator's plans for development of general aviation.*

The first part of Private Operator's plans for the general aviation segment will be to develop a new, comprehensive master plan. Private Operator's initial actions will include the development of additional hangars for storage. This will include hangars for larger corporate flight departments, individual corporate hangars, and T-hangars as needed. These are expected to service not only the general aviation storage needs, but also those of the charter and small freight businesses. Private Operator has identified the southeast portion of the Airport located north of the area identified for the new terminal building as the prime area for this hangar development. In addition, Private Operator is considering a development that would include an "aviation service mall" concept, similar to what can be found at the Gwinnett County Airport. This mall would include a group of larger hangars that would provide the various services required for the sale and servicing of aircraft. Examples include aircraft sales, aircraft maintenance and overhaul, avionics repair and maintenance, aircraft painting, aircraft completion shops, aircraft interior and upholstery shops, etc. The goal is to establish a one-stop shop for all aircraft servicing at the Airport. The Joint Applicants realize that general aviation is an important part of the success of NOLA and that its promotion and availability of services will enhance the success of the Airport.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 80**

- B. *The private operator's acceptance of the grant assurances contained in the public sponsor's grant agreements with the FAA.*

Sections 9.4-9.5 of the Agreement are written evidence of Private Operator's acceptance of these grant assurances, as well as Public Sponsor's grant of third party beneficiary rights to the FAA.

- C. *Description of the parties' efforts to consult with airport users about the proposed transaction and of the parties' community outreach efforts.*

Public Sponsor chose Private Operator via an extensive Request for Qualifications and Request for Proposal process handled by Infrastructure Management Group, Inc. During such process, employees of Private Operator met individually with the neighboring community of NOLA and neighborhood associations. In addition, during the process, there was a scheduled public meeting, at which AAC senior executives made a presentation of the company's proposed noise abatement policy, its proposed development plans, and its proposed community action plan. Members of the public were invited and encouraged to ask questions, state their concerns, and provide ideas. The New Orleans City Council Members, for the areas surrounding the Airport, who are mayoral appointees on the Board, attended and participated at the meeting. Following the meeting, and prior to Private Operator being selected via the RFP process, AAC distributed, through the local neighborhood associations, a written response to the questions that were

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 81**

posed in the public meeting, a copy of which is attached hereto as Exhibit N. Private Operator continues to hold meetings with the neighboring community, business and neighborhood associations.

VIII. PERIODIC AUDITS.

Applicants' Assent Pursuant to Section 47134(k) that the FAA may conduct periodic audits of the financial records and operations of an airport receiving an exemption under the pilot program.

The Joint Applicants hereby expressly recognize and assent to the right of the FAA to conduct periodic audits of the financial records and operations of NOLA in accordance with 49 U.S.C. § 47134(k).

CONCLUSION

The Airport Privatization Pilot Program provides an opportunity to infuse private enterprise and private investment into an airport that would otherwise languish in non-optimal use, minimal growth and inadequate development. NOLA requires such private capital and initiative for its future, prudent growth in concert with the community. NOLA is an ideal candidate for the Airport Privatization Pilot Program. Public Sponsor has demonstrated that approval of the attached Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of NOLA, with a qualified private operator, meets or exceeds all of the statutory standards. Private Operator has shown it possesses the strong credentials and commitment necessary to manage and improve the Airport. Under Private Operator's leadership, NOLA will be a useful and self-sufficient general aviation facility that will benefit the New Orleans community and contribute to the viability of the nation's air transportation system. A privatized, privately funded Airport will foster airport development and fully satisfy the goals of the Airport Pilot Privatization Program. The Congressionally established standards, 49 U.S.C. § 47134, have been met; accordingly, the FAA should grant the requested exemptions.

**Final Application for Exemptions Under 49 U.S.C. § 47134
for Privatization of New Orleans Lakefront Airport
Page 83**

WHEREFORE, the Board of Commissioners of the Orleans Levee District,
as Public Sponsor, and American Airports Lakefront, L.L.C., as Private Operator,
respectfully request that the Federal Aviation Administration promptly grant this
application for exemptions pursuant to 49 U.S.C. § 47134.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "J. E. Murdock III", is written over a horizontal line.

J. E. Murdock III, Esq.
Alexander Van der Bellen, Esq.
Jonathan Echmalian,
Senior Aviation Specialist
SHAW PITTMAN LLP
2300 N Street, N.W.
Washington, D.C. 20037
(202) 663-8342

Counsel for the Joint Applicants

ORIGINAL

BEFORE THE
FEDERAL AVIATION ADMINISTRATION
ASSOCIATE ADMINISTRATOR FOR AIRPORTS, ARP-1
WASHINGTON, D.C.

In the matter of:)
THE PRIVATIZATION OF NEW ORLEANS)
LAKEFRONT AIRPORT)
Final Application of)
THE BOARD OF COMMISSIONERS OF THE)
ORLEANS LEVEE DISTRICT)
and)
AMERICAN AIRPORTS LAKEFRONT, L.L.C.)
for exemptions pursuant to 49 U.S.C. § 47134)

FAA-2003-14246
Docket No. _____

FINAL APPLICATION FOR EXEMPTIONS UNDER 49 U.S.C. § 47134
FOR PRIVATIZATION OF NEW ORLEANS LAKEFRONT AIRPORT

EXHIBITS B - N

DEPT OF TRANSPORTATION
03 JAN 17 AM 11:46

EXHIBITS

Exhibit A	Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport (bound as a separate volume)
Exhibit B	Advisory Opinion from the State of Louisiana's Attorney General's Office Concerning Public Sponsor's Authority to Lease the Airport
Exhibit C	NOLA Airport Layout Plan
Exhibit D	Survey and Legal Description of the Airport
Exhibit E	List of Federal Grants and Project Descriptions Relating to the Airport
Exhibit F	American Airports Corporation Summary of Projects and Airport Management Experience
Exhibit G	American Airports Corporation Key Personnel
Exhibit H	United Professionals Company Key Personnel
Exhibit I	American Airports Corporation Financial Statements for 2000 and 2001
Exhibit J	FAR Part 135 Operators Letters of Approval
Exhibit K	Legal Opinion and Certification Regarding Plan for Continued Operation of the Airport
Exhibit L	Public Sponsor's Most Recent 5-Year Capital Improvement Plan
Exhibit M	Private Operator's Proposed 5-Year Capital Improvement Plan
Exhibit N	Private Operator's Written Response to Questions Posed by the Public

Exhibit B

EXHIBIT B

ADVISORY OPINION FROM THE STATE OF LOUISIANA'S
ATTORNEY GENERAL'S OFFICE CONCERNING
PUBLIC SPONSOR'S AUTHORITY TO LEASE THE AIRPORT



RICHARD P. LEYOUS
ATTORNEY GENERAL

of Louisiana
DEPARTMENT OF JUSTICE
CIVIL DIVISION
BATON ROUGE
70804-9005
January 11, 2001

Office of the Attorney General
301 Main Street, Suite 600
P.O. Box 94005
TEL: (225) 342-7013
FAX: (225) 342-2090

Honorable James P. Huey, President
Board of Commissioners of the
Orleans Levee District
Suite 202 - Administrative Bldg.
New Orleans, Lakefront Airport
New Orleans, LA 70126

RE: LEASE OF LAKEFRONT AIRPORT

Dear President Huey:

This responds to the request, through counsel, for an informal advisory opinion as to the authority of the Board of Commissioners of the Orleans Levee District ("OLD") to lease the land and facilities of the New Orleans Lakefront Airport. This informal opinion will address state law issues pertaining to the proposal to lease the Lakefront Airport to a national or international company with solid resources and reputation that will have a positive effect on the fiscal condition of the OLD and will not address issues arising under federal law.

As we understand the proposal, the Louisiana Department of Transportation and Development ("LADOTD") and the Office of the Governor are concerned that the Lakefront Airport remain a public airport and that the aviation authority remain under the control of the LADOTD. Under these conditions, LADOTD and the Governor's Office are supportive of the proposal going forward.

It is our understanding that the OLD issued a Request For Proposals during May, 2000, to five qualified bidders, along with a draft of the proposed Lease Agreement to suggest the type of agreement that the OLD has in mind for privatizing the Lakefront Airport.

We understand that the intent of the draft lease is to require the private operator (Lessee) to comply with all applicable statutory requirements, including the public use requirements under La. R.S. 38:336, as well as the assumption of all current leases on the airport.

Presently, the OLD would like to commence negotiations with the responsive bidders, raising the question of whether the OLD must comply with public advertisement and competitive bidding procedures when leasing property such as the Lakefront Airport.

Honorable James P. Huey, President
Board of Commissioners of the
Orleans Levee District
January 11, 2001
Page No. 2

We have reviewed the legal opinion of July 23, 1998 by attorneys Emile W. Schneider and Gerard G. Metzger, Special Counsel to the OLD, and agree with the background, citations of authority and findings therein. Particularly, as regards the public advertisement and competitive bidding procedures provided by law, we agree with the analysis provided on Page 3 and following of that opinion letter. The Louisiana Supreme Court case of *Arnold, et al. v. Board of Commissioners of the Orleans Levee District*, 366 So.2d 1321 (La. 1978) confirmed the authority of the OLD to lease reclaimed lake property without compliance with the provisions of the Louisiana Public Lease Law, La. R.S. 41:1211.

Further, as cited on Page 4 of the Opinion, La. R.S. 38:336 authorizes the OLD to "sell, lease, or otherwise dispose of such portion of the lands reclaimed and other property acquired for the purpose of the improvement, except the lands herein required to be dedicated by it for public use, * * *" notwithstanding the provisions of R.S. 38:302, R.S. 38:320, and R.S. 38:321" pertaining to the leasing of lands by the various levee districts. R.S. 38:302 pertains to advertising and bidding requirements for the sale or lease of lands; and R.S. 38:320 pertains to the advertising and bidding requirements found in R. S. 38:2211 et seq. and R.S. 38:321.

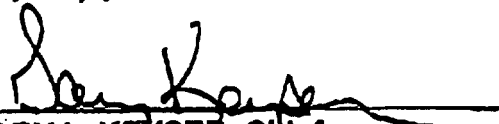
As further explored in the opinion of July 23, 1998, the OLD does not appear to be constrained or limited by the statutory provisions of the Louisiana Uniform Airport Law, La. R.S. 2:131 et seq., or the Airport Authorities Law, R.S. 2:601 et seq., inasmuch as the Lakefront Airport was not established pursuant to this law, but originated pursuant to the authority of XVI, § 7 of the Louisiana Constitution of 1921, as amended in 1922 and 1928, which conferred broad powers on the OLD to develop the area of reclamation upon which the Lakefront Airport is located. These provisions have been carried forward into the statutes under the authority of Article XIV, § 16 (A)(12) of the Louisiana Constitution of 1974.

Accordingly, the restrictions of those statutes would not appear to impose any restrictions or constraints on the OLD in its authority to enter into a lease of the Lakefront Airport pursuant to the authority of La. R.S. 38:336 (A), subject to the conditions, limitations and reservations contained therein for public use. The proposed lease of the Airport would therefore require that the Lessee keep the Airport open for public use, as required by La. R.S. 38:336.

Honorable James P. Huey, President
Board of Commissioners of the
Orleans Levee District
January 11, 2001
Page No. 3

We hope that this advisory opinion is of assistance and if we may be of further help, please call upon us.

Very truly yours,


GARY L. KEYSER, Chief
Lands & Natural Resources Section

GLK/tp



The Board of Commissioners

OF THE

Orleans Levee District

SUITE 202 — ADMINISTRATION BUILDING
NEW ORLEANS LAKEFRONT AIRPORT

New Orleans, La.

70126

TEL: 504-243-4000

PROTECTING YOU
AND YOUR FAMILY

**PRIVILEGED & CONFIDENTIAL
SUBJECT TO ATTORNEY-CLIENT
PRIVILEGE**

July 23, 1998

BY HAND DELIVERY

Hon. James P. Huey, President
Board of Commissioners of the
Orleans Levee District
Suite 202 - Administration Bldg.
New Orleans Lakefront Airport
New Orleans, Louisiana 70126

RE: LEASE OF LAKEFRONT AIRPORT

Dear President Huey:

This will respond to your request for a legal opinion as to the authority of the Board of Commissioners of the Orleans Levee District ("OLD") to lease the land and facilities of the New Orleans Lakefront Airport. This opinion will be limited to this particular issue and will not address other issues related to the lease of the Lakefront Airport, which are discussed in the concluding paragraph of this letter.

Large portions of the bed and bottoms of Lake Pontchartrain situated in Orleans Parish were reclaimed by the OLD. Some of the reclaimed land was sold to individuals and title to the remaining reclaimed land was vested in the OLD. Lakefront Airport was constructed on lands reclaimed by the OLD pursuant to authority granted the OLD by the Louisiana Constitution of 1921, Article XVI, § 7, as amended in 1922 and 1928, which granted the OLD broad powers to develop the area. Pursuant to the Louisiana Constitution of 1974, Art. 14 § 16(A)(12), these constitutional provisions were transferred to the Louisiana Revised Statutes dealing with the Orleans Levee Board and are now found in Title 38 of the Louisiana Revised Statutes.

Honorable President James P. Huey
The Board of Commissioners of
the Orleans Levee District
July 23, 1998
Page 2

The grant of authority to the OLD by the 1921 Louisiana Constitution gave it "the full and exclusive right, jurisdiction, power, and authority" to reclaim within an area extending from the western boundary of Orleans Parish to a point approximately one-half mile East of Paris Road (the "lower limit of the project). The area was divided into five zones with Zone 5 constituting the area from the Industrial Canal to the lower limits of the project. The work was to be completed zone by zone from West to East with no work commenced in Zone 5 until three Zones were completed, except that work connected with the construction and creation of aviation fields could be commenced at any time.

Specifically, the Lakefront Airport was constructed by the OLD pursuant to the authority granted under Paragraph (c) of Act 292 of 1928, duly approved by the electorate, amending Article XVI, Section 7(b) of the Louisiana Constitution of 1921. By the grant to the OLD of the "rights, jurisdiction, power and authority to plan, execute and maintain all the works and all the phases of the project and improvements undertaken hereunder," including aviation fields, the State resorted to the use of the OLD to effect the improvements contemplated. In respect to these public works, the OLD was alone charged with the responsibility of not only their planing and construction, but their maintenance as well. This responsibility involved not only the dedication to public use of the required land, the construction of buildings, with necessary related adjuncts, but a fitting and proper maintenance, the latter necessarily involving the duty of proper operation of these improvements in all of their phases. The Lakefront Airport (formerly known as the Orleans Airport) was to, and did, come into being through the agency of the Orleans Levee Board and was dedicated in 1934, prior to completion of three zones on the Lakefront. The constitutional provisions vesting the OLD with the right, jurisdiction, power and authority to construct the airport makes it manifest that the origin, growth, development and the continued existence of the airport, as an agency of public service, rests exclusively with the OLD. The Lakefront Airport with its lands, buildings, services and other adjuncts were to be, and are, owned and controlled and within the OLD's general supervision, as are levees, drainage and other like projects. Jurisch v. Board of Commissioners of the Orleans Levee District, 8 So.2d 554 (La.App. 4th Cir. 1942).

The Louisiana Supreme Court has recognized the OLD as owner of the areas reclaimed from Lake Pontchartrain with the right to alienate (sell) and lease the areas reclaimed:

"We conclude that the intent of these provisions was to provide the board with administrative authority over an area large enough to carry out its ambitious development plans without the need for periodic constitutional amendments. This purpose has been met; no further changes in the board's authority have been necessary. In order to

Honorable President James P. Huey
The Board of Commissioners of
the Orleans Levee District
July 23, 1998
Page 3

finance the project, the board was given title to those areas reclaimed, and the board was given the power to alienate what otherwise would have been a public and inalienable thing, namely, the shore, bed and bottom within such reclaimed areas..."

State Ex Re: Guste v. Board of Commissioners of the Orleans Levee District, 456 So.2d 605, 610 (La. 1984).

Generally, the State, its agencies and its political subdivisions, including levee districts, must follow public advertisement and competitive bidding procedures when selling or leasing property, unless a statute expressly exempts them from doing so. La.R.S. 41:1211, et seq. The Louisiana Public Lease Law, found at Louisiana Revised Statute 41:1211, et seq., specifically provides that levee districts are lessors within the meaning of the public lease law, which requires all lessors to lease land that they either own or possess to private individuals for a legitimate purpose, pursuant to public advertisement and bids in accordance with the Louisiana Public Lease Law. A question then arises whether the OLD may lease the Lakefront Airport without complying with the advertisement and bid requirements of the Louisiana Public Lease Law.

Louisiana courts have specifically recognized the authority of the Board of Commissioners of the Orleans Levee District to lease reclaimed lake property on terms and conditions which it deems best, without complying with the mandates of the Louisiana Public Lease Law. The Supreme Court of Louisiana put its imprimatur on the authority of the Board of Commissioners to lease reclaimed lake property, without compliance with the provisions of the Louisiana Public Lease Law, in Arnold, et al. v. Board of Commissioners of the Orleans Levee District, 366 So.2d 1321 (La. 1978). In Arnold, an objection was posed to a lease negotiated by the OLD within the area of reclamation for property to be used for the construction of a museum and library. Plaintiffs contended that the negotiated lease was in derogation of the Public Lease Law, La.R.S. 41:1211, et seq., to which they alleged the OLD was subject. The Court reviewed the constitutional and statutory provisions relating to the authority of the OLD in the area of reclamation and, in rejecting plaintiffs' argument, held:

"From this review of the jurisprudence, it appears to us that the broad grant of authority to the Levee Board in disposing of property reclaimed from the lake bottom operates as an exemption to the general law requiring public bids before state lands can be leased. The phrase 'under such terms and conditions and by such methods as said Board may deem proper . . .' indicates a plenary grant of authority to the Board to dispose of the property within the lakefront area in any

Honorable President James P. Huey
The Board of Commissioners of
the Orleans Levee District
July 23, 1998
Page 4

manner which it deems appropriate under the circumstances, which includes a negotiated lease. To hold otherwise is to engraft onto the special powers granted the Board a proviso that they be exercised in accordance with the provisions of any general statute dealing with related subject matter which the legislature might subsequently pass. Such a construction is warranted neither by the language in question nor the history of the development of the New Orleans Lakefront."

Arnold, 336 So.2d at 1326.

Thus, Title 38 governing levee districts and the jurisprudence interpreting its provisions authorize the Board of Commissioners to use its plenary power to grant a lease of reclaimed lake property without compliance with the Louisiana Public Lease Law. **La.R.S. 38:336. Arnold, 336 So.2d at 1326.** Neither does this authority appear to be limited by the statutory provisions of either the Louisiana Uniform Airport Law or Airport Authorities Law. **La.R.S. 2:131, et seq. La.R.S. 2:601, et seq.** Both of these special statutes deal with airports and leases by them; further, these Acts provide restrictions on the method of leasing airport property, and the Uniform Airports Act even prohibits a "political subdivision" from leasing an entire airport. **La.R.S. 2:135.1 (f).** Louisiana Revised Statute 2:131(A) provides in part: "'Political subdivision(s)" as used in this Part means any parish of this state as well as any county of another adjoining or adjacent state which is authorized by the law of that state to engage in a joint endeavor for the creation and operation of an airport district with a political subdivision of this state. Louisiana Revised Statute 2:601(1) states that a "Subdivision" means any parish, incorporated city, town or village of this state. Although the OLD is statutorily defined as a political subdivision of the State of Louisiana in **La.R.S. 38:281(6)**, these Acts appear not to be applicable to the OLD, since the OLD does not fit the specific definition of a political subdivision as defined in the Uniform Airport Law or the Airport Authorities Law. Furthermore, since the Lakefront Airport was not established pursuant to the Uniform Airport Law and is not an "authority" under the Airport Authorities Law, but rather was originally established pursuant to constitutional provisions, these Acts do not appear to apply in the event of a lease of Lakefront Airport by the OLD. Accordingly, the restrictions of these Acts should not impair the Board's authority to enter into a lease of the Lakefront Airport. **La.R.S. 38:336(A).**

Even if the special airport legislation were applicable, the grant of authority to the OLD cited above in Title 38 should apply as an exception to the limitations and prohibitions of these Acts. As the Court noted in **Hall v. Rosteet, 169 So.2d 903 (La. 1964)**, when reviewing the Uniform Airports Act in relation to special laws concerning the Calcasieu Parish Police Jury, the Louisiana Public Lease Law is only applicable to leases of state property in the absence of an

Honorable President James P. Huey
The Board of Commissioners of
the Orleans Levee District
July 23, 1998
Page 5

express provision in special law that such leases may be negotiated without advertisement and competitive bidding. The provisions of La.R.S. 38:336 establish such an exemption from the requirements of the Louisiana Public Lease Law. Arnold, 366 So.2d at 1326. Therefore, the referenced provisions of Title 38 constitute an exception to the 25 year lease limitation and prohibition against a political subdivision leasing an entire airport of the Uniform Airports Act and the limitations contained in the Airport Authorities Law. La.R.S. 2:131, et seq. La.R.S. 2:601, et seq.

Based on the foregoing authorities, it is our opinion that the Board of Commissioners of the Orleans Levee District has the authority under state law to lease Lakefront Airport without limitation under such terms and conditions and by such methods as the Board may deem proper pursuant to its plenary power to lease property under the express provisions of La.Rev.Stat.38:336(A).

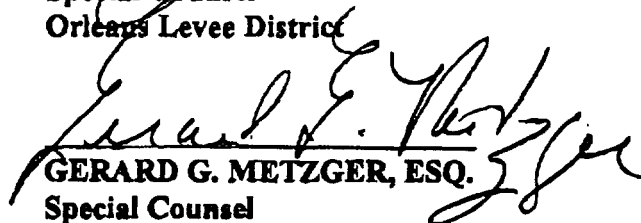
This opinion does not address other issues involved in a proposed lease of the Lakefront Airport, including but not limited to whether permission for such lease need be obtained from the Federal Aviation Administration, the effect of a lease of the airport on federal grants for the airport, whether a lease of the airport is permissible under 49 U.S.C. § 47101, et seq., the status of existing leases in the event of a lease of the entire airport, the limitations on disposition of waterbottoms and "public use" doctrine in Louisiana Constitution, Article 9, Section 3. These issues will be addressed in subsequent opinions to be issued within the next two weeks by counsel for the Board of Commissioners of the Orleans Levee District.

Trusting the above responds to your request, we are

Yours very truly,



EMILE W. SCHNEIDER, ESQ.
Special Counsel
Orleans Levee District



GERARD G. METZGER, ESQ.
Special Counsel
Orleans Levee District

Honorable President James P. Huey
The Board of Commissioners of
the Orleans Levee District
July 23, 1998
Page 6

GGM/scd

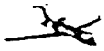
cc: Honorable Commissioner Kathleen Cain, OSF
Honorable Commissioner Ellen Hazeur-Distance
Honorable Commissioner Marlin N. Gusman
Honorable Commissioner Patricia W. Harris
Honorable Commissioner Victor A. Landry
Honorable Commissioner James E. Livingston
Honorable Commissioner Robert E. Lupo

•

Exhibit C

EXHIBIT C

NOLA AIRPORT LAYOUT PLAN



CHAPTER 10 - AIRPORT LAYOUT PLANS

INTRODUCTION

The major improvements outlined in the preferred airfield, land use, terminal and surface transportation, and general aviation concepts are incorporated into the updated Airport Layout Plan (ALP) drawing set. The ALP is a group of drawings which serve as the primary tool for the guidance of growth at the Airport. The various drawings depict the recommendations contained within this Master Plan Update with regard to aviation development at the New Orleans Lakefront Airport. The ALP drawing set was reduced from its working size of 30" x 42" to be incorporated here for easy reference. The drawings in the ALP set include:

- Sheet 1 - Title Sheet*
- Sheet 2 - Data Sheet*
- Sheet 3 - Airport Layout Drawing*
- Sheet 4 - Airport Airspace and RPZ Drawing*
- Sheet 5 - Terminal Area Drawing-North*
- Sheet 6 - Terminal Area Drawing-South*
- Sheet 7 - Land Use Drawing*
- Sheet 8 - Airport Property Map Drawing*
- Sheet 9 - Airport Master Utility Drawing*

10.1 TITLE SHEET

This sheet serves as the Airport Layout Plan drawing set cover sheet and provides information to include the airport name, owner, location and ALP set preparer. An index of drawings, graphic representations of the airport location (scale 1" = 500,000") and the airport vicinity (scale 1" = 24,000") is also presented on the title sheet. Reference Sheet 1 in the New Orleans Lakefront Airport ALP drawing set which follows.

10.2 DATA SHEET

Included on this sheet are wind rose information, basic airport and runway data, and runway protection zone details. The wind rose data presented shows wind coverage for both All Weather as well as IFR and VFR conditions assuming a 10 knot crosswind component. The information presented in the Airport and Runway Data blocks cover the existing and future conditions of the Airport.

10.3 AIRPORT LAYOUT DRAWING

The Airport Layout Drawing is the graphical representation, to scale, of the existing and proposed airport facilities. It provides clearance and dimensional information required to show conformance with applicable FAA standards. The Airport Layout Drawing establishes the future configuration of all runways, taxiways and aprons and sets aside areas for the establishment of terminal support, general aviation and airport support facilities to meet the needs of the Airport through 2015. In addition, areas are shown which should be reserved for development beyond 2015 and/or areas which should be acquired either to maintain



compatibility between airport operations and development in the vicinity of the Airport or to allow for the expansion of aviation-related and nonaviation commercial revenue producing facilities.

As outlined in Chapter 9, all programmed improvements at the Airport are subdivided into the following categories: airfield, passenger terminal area, general aviation area, surface transportation, and support facilities. Items depicted on the Airport Layout Drawing which are included in the 20-year capital improvement program will be briefly addressed in this section. A reduced scale version of the Airport Layout Drawing is also provided at the end of this chapter (reference Sheet 3).

Airfield improvements physically depicted for NEW during **Phase I (1996-2000)** of the program include: the construction of a new northside parallel taxiway to Runway 09-27 from Taxiway A to F, the reconstruction of the seawall along the northeast airport boundary, and the site preparation/land reclamation for the future north extension to Runway 18R-36L. Airfield improvements scheduled for **Phase II (2001-2005)** include: a widening of Taxiway H, the north extension to Runway 18R-36L and associated taxiways, the relocation of the 36L end of pavement, and the relocation of all ILS components on the 18R end. **Phase III (2006-2015)** provides for several airfield improvements including: a fillet widening at the intersection of Taxiway D and Runway 09-27, the east extension of Runway 09-27 and associated taxiways, an extension of Taxiway L, the widening of Taxiways J and K, the construction of a new exit taxiway for Runway 18R-36L, and the north and south extensions of Runway 18L-36R.

A new passenger terminal at NEW is scheduled for development through the first two phases of the capital program. **Phase I** projects include the interim renovation of the existing airport terminal building and the site preparation for the new terminal area near the existing T-hangars. Terminal-related projects programmed for **Phase II** include: the construction of the new 40,000 SF building, a curbside canopy for the new complex, a widening of Taxiways H and E east of Taxiway C, the construction of a new air carrier aircraft parking apron between Taxiways D and H, and a new access taxiway for the McDermott Hangar.

Improvements associated with the general aviation area occur in the northeast corner of the Airport and are programmed throughout all three phases of the 20-year study period. **Phase I** improvements include: the relocation/construction of 36 T-hangar units (including apron/access taxiways), the construction of three conventional hangars with offices, a north extension of the relocated Lloyd Stearman Drive, and the paving of surface parking for vehicles. During **Phase II** the list of projects includes: the construction of 12 additional T-hangar units (including apron/access taxiways), the construction of two conventional hangars with offices, the construction of based and transient aircraft parking apron west of the new conventional hangars, a further north extension to relocated Lloyd Stearman Drive, and the paving of additional surface parking for vehicles. **Phase III** includes: the construction of seven additional T-hangar units (including apron/access taxiways), the construction of two conventional hangars, and the expansion of aircraft parking apron with connector taxiways to Taxiway C.

Surface transportation improvements on the Airport will be implemented in the first two phases to accommodate four traffic generating sources: general aviation patrons,



commercial/charter passengers, terminal and other employees, and the general public. **Phase I** projects include a four-lane relocation of Lloyd Stearman Drive to the east and the demolition of roadway pavements near the new terminal site. **Phase II** projects involve the construction of the terminal area loop/circulation roadways and the construction of surface parking areas for public, employee and rental car vehicles.

Support facilities are proposed in the later two phases of the program. **Phase II** includes the provision for construction of all critical utility services as necessary support to the new passenger terminal complex. Improvements scheduled in **Phase III** include an expansion of the existing ARFF building.

10.4 AIRPORT AIRSPACE AND RPZ DRAWING

This sheet incorporates a graphic representation of the Imaginary Surfaces as described within FAR (Federal Aviation Regulation) Part 77, as well as 1 inch = 1,000 feet runway plans and profiles for all runways at the New Orleans Lakefront Airport. The Imaginary Surfaces are established in relation to the airport elevation and to each future runway end, and define those areas where the safe operation of aircraft necessitates that the height of objects be regulated. This regulation typically occurs through the establishment of height zoning ordinances by local governments. The size of each imaginary surface is based on the runway category and type of planned approach. It is recommended that the Orleans Levee Board attempt to have the modifications to the Imaginary Surfaces incorporated into local zoning plans to the extent possible. U.S.G.S. 7.5 minute quadrangle maps were used as the basemap for this sheet.

The runway end approach plans and profiles specifically provide an enhanced view of the areas overlayed by the runway protection zones off the ends of each runway. Existing approach slopes are noted as well as the ground profile along the runway centerline and beneath the approach surfaces to provide guidance in calculating exact distances between ground surfaces and approach surfaces. These drawings should be used by airport management to ensure that all obstructions penetrating the imaginary surfaces currently, are either removed or marked/lighted in an appropriate manner; and to assist in restricting potential obstructions from being built proximate to the Airport in the future.

10.5 TERMINAL AREA DRAWING - NORTH

The Terminal Area Drawing - North depicts, in greater detail, the proposed passenger terminal area identified on the Airport Layout Drawing. The facilities are presented at an enlarged scale of 1 inch = 100 feet. Both existing and future facilities are shown, with mapped roof and high-point elevations shown for existing structures and features.

10.6 TERMINAL AREA DRAWING - SOUTH

The Terminal Area Drawing - South depicts, in greater detail, improvements identified on the Airport Layout Drawing in the vicinity of the existing Administrative Building. The facilities are presented at an enlarged scale of 1 inch = 100 feet. Both existing and future facilities are shown, with mapped roof and high-point elevations shown for existing structures and features.



10.7 LAND USE DRAWING

The Land Use Drawing is a graphic representation indicating general developmental guidelines for all ultimate on-airport property and proposed acquisition areas. The principal purpose of this plan is to provide overall developmental guidance for the Airport and immediately adjacent areas influenced by the airport operation, if applicable. This "overview planning" is critical, because planned projects may be constructed ahead of schedule, and unanticipated but beneficial projects (e.g., aviation-related) may be desired. It is important for the Sponsor to have a general "roadmap" to follow as development options arise. The Land Use Drawing provides for such guidance by categorizing all areas of the Airport by specific functional use.

The on-airport functional use designations include: airfield operations area, passenger terminal area, military area, general aviation area, other aviation-related commercial areas, nonaviation commercial areas, open area, and airport support area.

10.8 AIRPORT PROPERTY MAP DRAWING

The Airport Property Map, often referred to as the "Exhibit A", defines both graphically and in tabular form the airport boundary for the New Orleans Lakefront Airport. The purpose of this drawing is to provide information necessary for analyzing the current and future aeronautical use of land acquired with Federal funds. Also depicted on this sheet are proposed acquisition areas around the Airport and their respective acreages. For reference purposes, the major airport facilities both existing and ultimate are presented in the background. All existing metes and bounds data are current as of November 1995; however, these data have not been field verified.

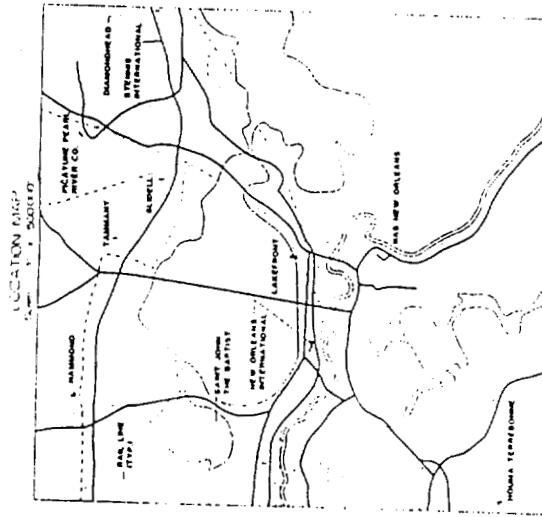
10.9 AIRPORT MASTER UTILITY DRAWING

The Airport Master Utility Drawing is a graphical representation of the type, size, and routing of utilities on and serving the airport. Existing facilities are shown at a 1 inch = 400 feet scale. The legend indicates that natural gas, electricity, telephone, sewer, and stormwater drainage lines were inventoried as part of this task.

ADD. 5-272-COCH-12
 1294-123-33-0A-12
 GLE 5/ 29101

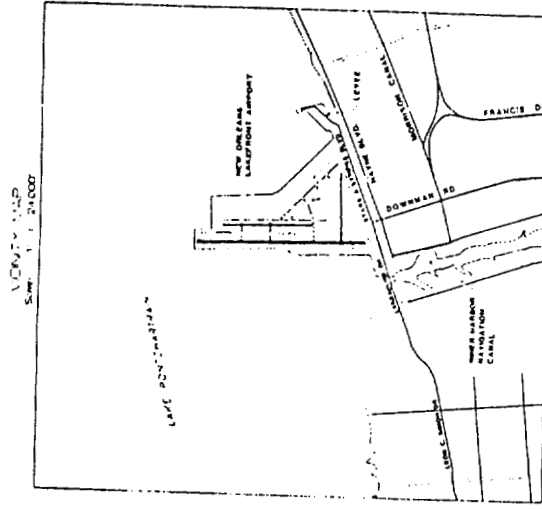
NEW ORLEANS LAKEFRONT AIRPORT

NEW ORLEANS, LOUISIANA



INDEX OF DRAWINGS

TITLE	SHEET NO.
DATA SHEET	1 OF 9
AIRPORT LAYOUT DRAWING	2 OF 9
AIRPORT AIRSPACE & RPZ DRAWING	3 OF 9
TERMINAL AREA DRAWING - NORTH	4 OF 9
TERMINAL AREA DRAWING - SOUTH	5 OF 9
LAND USE DRAWING	6 OF 9
AIRPORT PROPERTY MAP DRAWING	7 OF 9
AIRPORT MASTER UTILITY DRAWING	8 OF 9
	9 OF 9



AIRPORT LAYOUT PLAN

DRAWING SET

Date: December 5, 1975

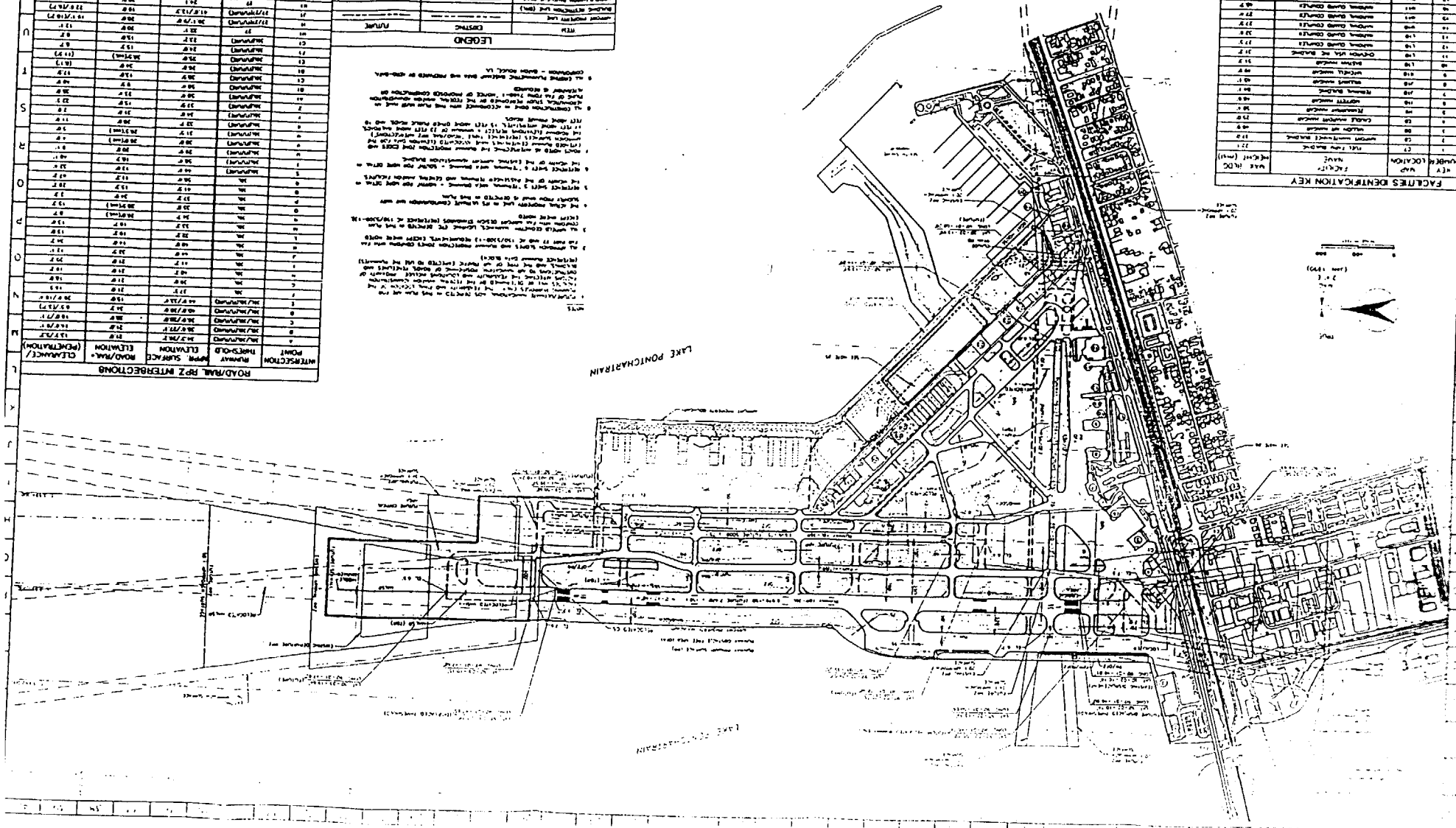
NOTE See also the drawing set for the airport.

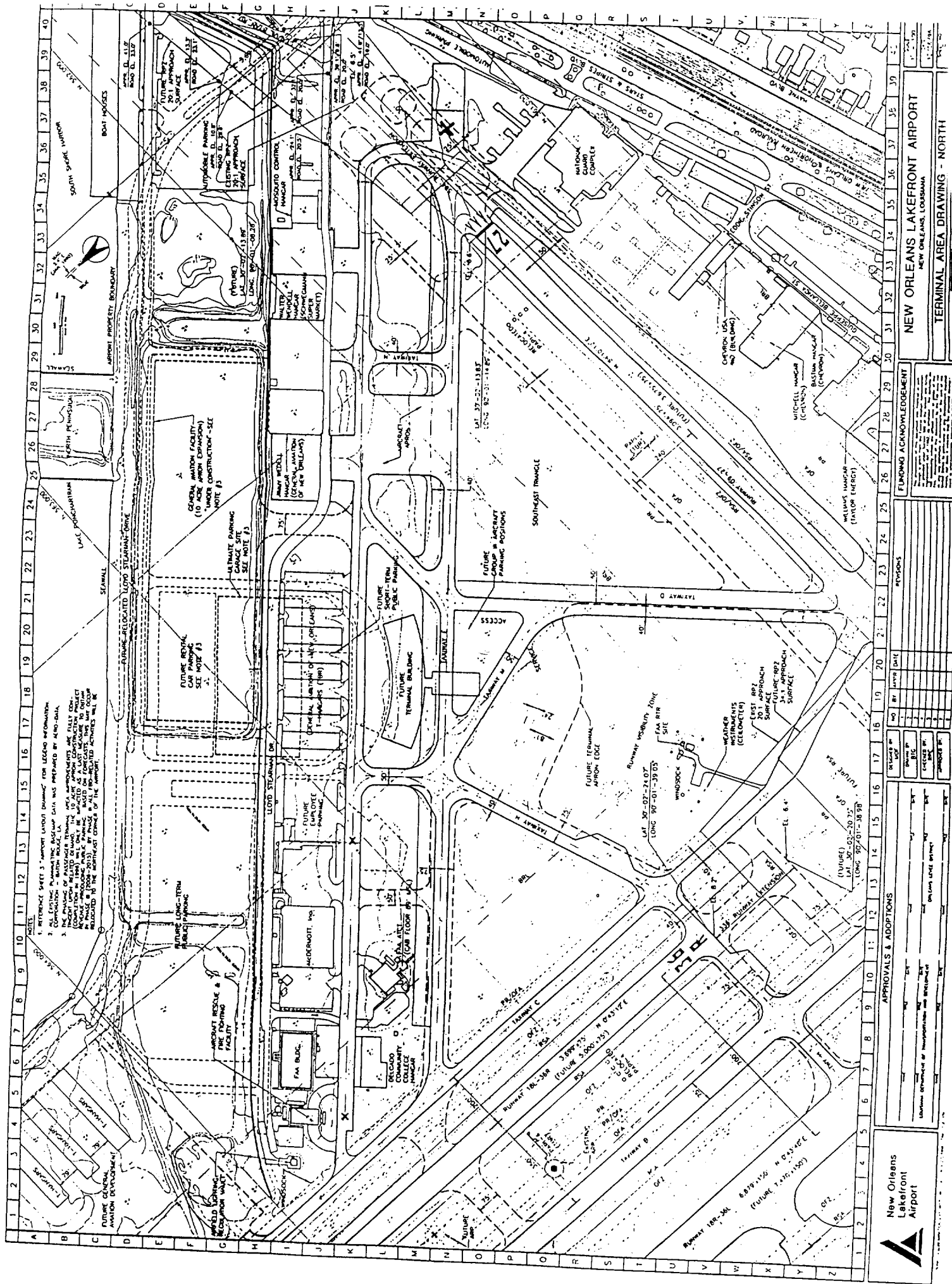
Operating By
 ORLEANS LEVEE DISTRICT
 ORLEANS LEVEE RC

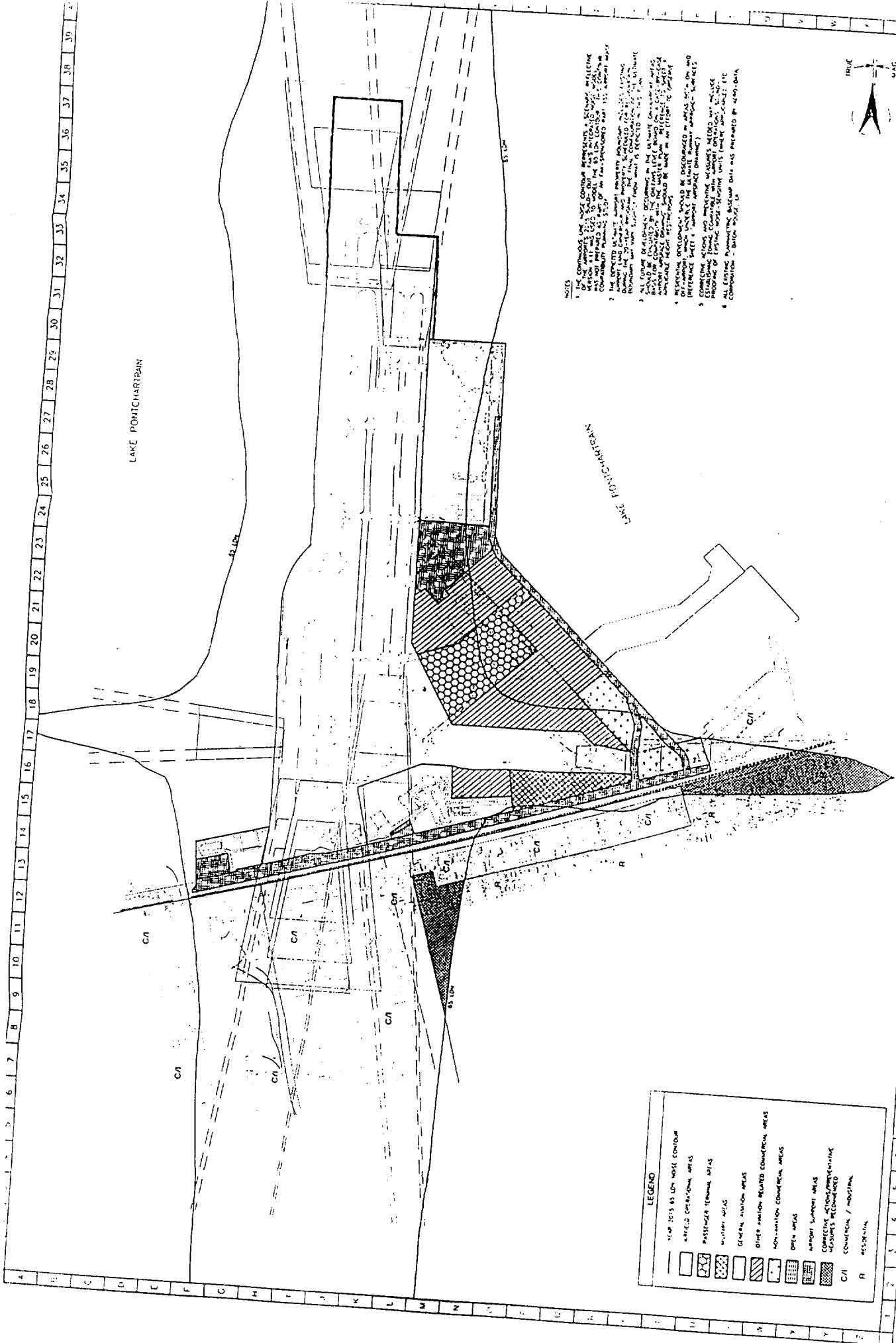
NO	BA	APPRO	DATE	REVISIONS
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75				
76				
77				
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				
100				

26 27 28 29

31	32	33	34	35	36	37	38	39	40
NEW ORLEANS LAKEFRONT AIRPORT									
NEW ORLEANS, LOUISIANA									
AIRPORT LAYOUT DRAWING									
<div style="display: flex; justify-content: space-between;"> <div> <p>DATE</p> <p>12/11/71</p> <p>12/11/71</p> <p>12/11/71</p> </div> <div> <p>APPROVED FOR CONSTRUCTION</p> <p>APPROVED FOR CONSTRUCTION</p> <p>APPROVED FOR CONSTRUCTION</p> <p>APPROVED FOR CONSTRUCTION</p> </div> </div>									

[illegible]





LAKE PONTCHARTRAIN

LAKE PONTCHARTRAIN

NOTES

1. CONSIDER THE WIDE CONTIGUOUS AREAS, A SUSTAINABLE AIRCRAFT
2. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
3. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
4. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
5. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
6. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
7. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
8. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
9. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE
10. THE AIRPORT WILL BE USED TO SUPPORT THE AIRCRAFT AND THE

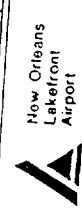


1:1
(JAN 1990)

NEW ORLEANS LAKEFRONT AIRPORT NEW ORLEANS, LOUISIANA LAND USE DRAWING									
APPROVALS & ADDITIONS REVIEWED BY: _____ DATE: _____ DESIGNED BY: _____ DATE: _____ CHECKED BY: _____ DATE: _____ PREPARED BY: _____ DATE: _____									
FUNDING ACKNOWLEDGEMENT SYSTEMS: _____ REVISIONS: _____									

LEGEND

—	YEAR 2015 65' LPM NOISE CONTOUR
[Pattern]	AIRFIELD OPERATIONAL AREAS
[Pattern]	PASSENGER TERMINAL AREAS
[Pattern]	WATER AREAS
[Pattern]	GRAVEL SURFACING AREAS
[Pattern]	OTHER AIRPORT RELATED COMMERCIAL AREAS
[Pattern]	NON-AIRPORT COMMERCIAL AREAS
[Pattern]	OPEN AREAS
[Pattern]	AIRPORT SUPPORT AREAS
[Pattern]	COMMERCIAL ACTIONS/COMPENSATING MEASURES RECOMMENDED
C/I	COMMERCIAL / INDUSTRIAL
R	RESIDENTIAL



New Orleans
Lakefront
Airport



New Orleans
Lakefront
Airport

NEW ORLEANS LAKEFRONT AIRPORT
NEW ORLEANS, LOUISIANA
AIRPORT PROPERTY MAP DRAWING

FUNDING ACKNOWLEDGEMENT

[illegible]

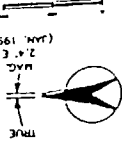
APPROVALS & ADOPTIONS

APPROVALS & ADOPTIONS

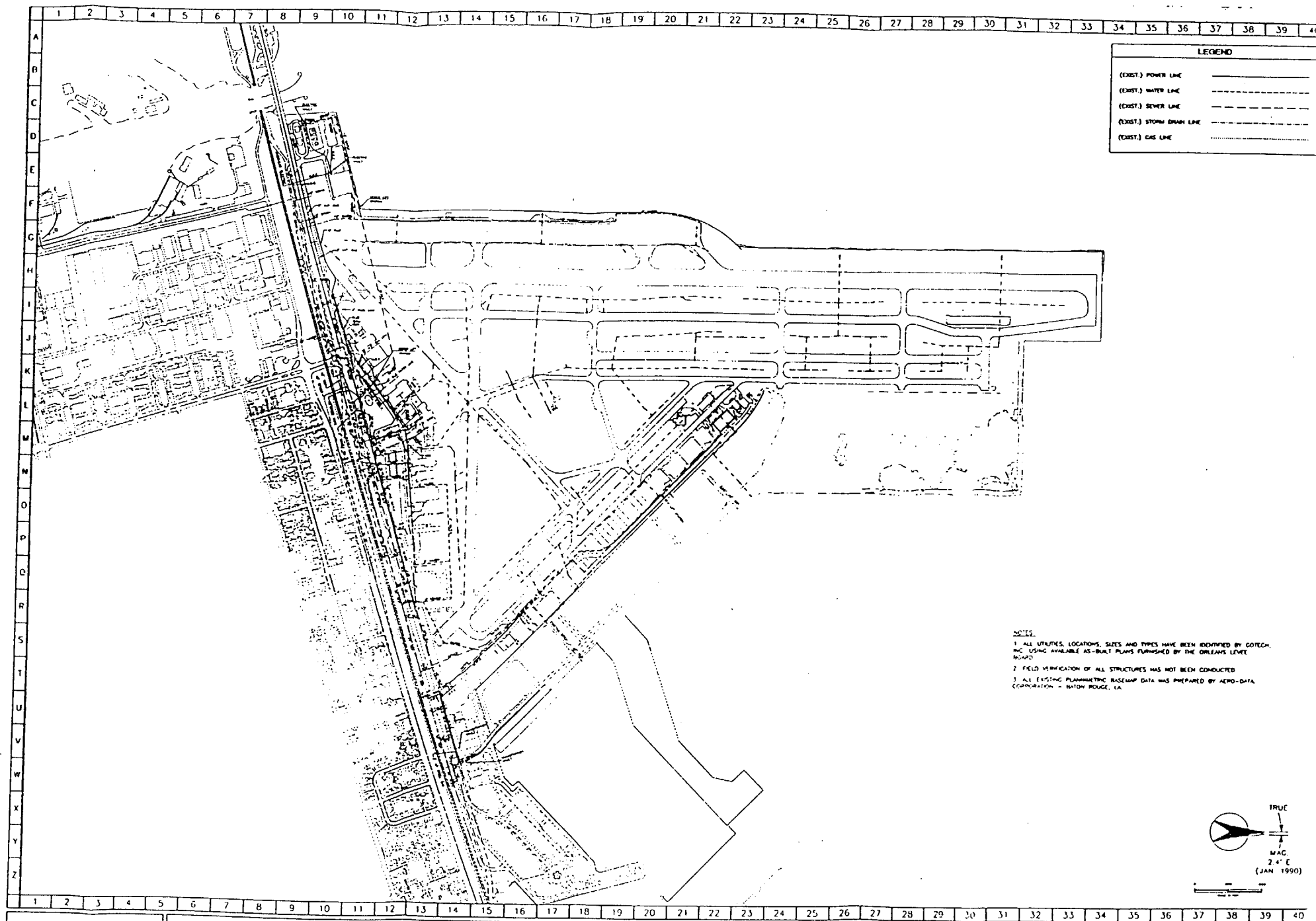
[illegible]

ACQUISITION HISTORY				
TRACT	ACRES	INTEREST	DATE	DEED NUMBER
1	1	1	12/12/88	104-16-22-0036-05/0007/06
2	1	1	08/23/88	104-16-18-01-6500-1/0007/06

1. The existing airport boundary depicted on this map was prepared by the County of San Diego Survey and Planning Department using the following methods:
 - a. The existing airport boundary depicted on this map was prepared by the County of San Diego Survey and Planning Department using the following methods:
 - i. The existing airport boundary depicted on this map was prepared by the County of San Diego Survey and Planning Department using the following methods:

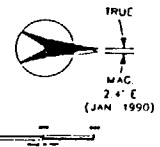


FUTURE RECLAIMED LAND
(APPROX. 57 ACRES)



LEGEND	
(EXIST.) POWER LINE	---
(EXIST.) WATER LINE	---
(EXIST.) SEWER LINE	---
(EXIST.) STORM DRAIN LINE	---
(EXIST.) GAS LINE	---

- NOTES:
1. ALL UTILITIES, LOCATIONS, SIZES AND TYPES HAVE BEEN IDENTIFIED BY GOTECH, INC. USING AVAILABLE AS-BUILT PLANS FURNISHED BY THE ORLEANS LEVEE BOARD.
 2. FIELD VERIFICATION OF ALL STRUCTURES HAS NOT BEEN CONDUCTED.
 3. ALL EXISTING PLANNIMETRIC BASEMAP DATA WAS PREPARED BY AERO-DATA CORPORATION - BATON ROUGE, LA.



APPROVALS & ADOPTIONS	
DESIGNED BY WCF	NO
DRAWN BY BIC	BY
CHECKED BY BIC	DATE
COPIES: 10	REVISIONS

FUNDING ACKNOWLEDGEMENT	
NEW ORLEANS LAKEFRONT AIRPORT	NEW ORLEANS, LOUISIANA
AIRPORT MASTER UTILITY DRAWING	

NEW ORLEANS LAKEFRONT AIRPORT	NEW ORLEANS, LOUISIANA
AIRPORT MASTER UTILITY DRAWING	

Exhibit D

EXHIBIT D

SURVEY AND LEGAL DESCRIPTION OF THE AIRPORT

EXHIBIT "D"

SURVEY AND LEGAL DESCRIPTION OF THE AIRPORT

A CERTAIN PORTION OF GROUND, together with all the buildings and improvements thereon and all the rights, ways, privileges, servitudes, advantages, and appurtenances thereunto belonging or in anywise appertaining, situated in the State of Louisiana, Parish of Orleans, Third Municipal District, City of New Orleans, designated as LAKEFRONT AIRPORT, bounded by Lake Pontchartrain, South Shore Harbor Marina, Southern Railroad, Hayne Boulevard (side), Downman Road and the Industrial Canal and is more fully described as follows:

COMMENCE at Monument Jewett, containing coordinates N: 560,690.4927, E: 3,688,774.2920 (NAD 83);

THENCE, N 60°38'25" E (Plan), N 60°38'13" E a distance of 4,504.17 feet to the POINT OF BEGINNING, being Monument Airport, containing coordinates N: 562,899.0743, E: 3,692,699.8160 (NAD 83), said point of beginning is located on top of a concrete bulkhead;

THENCE, along the aforesaid concrete bulkhead, N 01°28'32" W a distance of 48.95 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, along a curve to the right, in a northeasterly direction, with a radius of 1,112.72 feet, having an arc length of 829.92 feet, along a chord bearing of N 20°36'06" E a distance of 810.82 feet to a point, said point is marked by a cross (cut);

THENCE, along a wood bulkhead, N 01°22'35" W a distance of 3,381.44 feet to a point, marked by a 60d nail (set);

THENCE, continue along the aforesaid wood bulkhead, N 88°37'25" E a distance of 802.04 feet to a point, marked by a 60d nail (set);

THENCE, S 01°22'35" E a distance of 698.49 feet to a point, marked by a 60d nail (set);

THENCE, along a metal sheet pile wall, N 88°37'25" E a distance of 1,374.82 feet to a point;

THENCE, continue along a metal sheet pile wall, S 01°22'35" E a distance of 2,414.65 feet to a point;

THENCE, continue along a metal sheet pile wall, S 23°52'33" E a distance of 240.50 feet to a point;

THENCE, continue along a metal sheet pile wall, S 46°25'01" E a distance of 1,432.73 feet to a point that terminates at the beginning of a concrete bulkhead;

THENCE, along the aforesaid concrete bulkhead, S 45°49'50" E a distance of 1,649.29 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, N 69°04'40" E a distance of 312.04 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, S 21°12'13" E a distance of 392.03 feet to a point, marked by a cross (cut) said point is located 100.00 feet radially and to the north of the centerline of the north track of the Southern Railroad tracks;

THENCE, along the aforesaid line 100.00 feet radially and to the north of the centerline of the north track of the Southern Railroad tracks along a curve to the right in a southwesterly direction, with a radius of 78,464.71 feet, having an arc length of 6,294.40 feet, along a chord bearing of S 71°00'24" W a distance of 6,292.71 feet to a point marked by a P.K. nail (set);

THENCE, N 04°28'24" W a distance of 570.89 feet to a point on a concrete bulkhead, marked by a cross (cut);

THENCE, along the aforesaid concrete bulkhead, N 72°44'30" E a distance of 286.90 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, S 15°41'39" E a distance of 5.01 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, N 73°00'31" E a distance of 610.30 feet to a point, marked by a cross (cut).

THENCE, continue along the aforesaid concrete bulkhead, N 01°28'32" W a distance of 2,703.61 feet to the POINT OF BEGINNING, being at Monument Airport.

The above described portion of ground contains 20,587,184.69 square feet or 472.617 acres. All in accordance with a plan of survey by S. K. Turner, Registered Professional Land Surveyor, dated October 04, 2001. Drawing No. M-362-2001.

[illegible]

Wichtige Hinweise
Bitte lesen Sie dies zuerst!

[illegible]

SPIN, 100% = BLACK, 100% ON FL
OR COLLECT POINT

NOTE: ALL IMPROVEMENTS ARE SHOWN HEREIN



Case 1:11-cv-00001-UNA Document 1-1 Filed 01/11/12 Page 1 of 1

SOUTHERN
HAYNE

BOULEVARD

RAILROAD
(SIO)

CRAFTED BY HAND

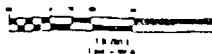


Exhibit E

EXHIBIT E

**LIST OF FEDERAL GRANTS AND PROJECT DESCRIPTIONS
RELATING TO THE AIRPORT**

A	A	B	C	D	E	F	G
	GRANT	ACCEPTANCE	PROJECT #	CONTRACT #	%	Description of Grant	
1	DATE	DATE					
2							
3	9/24/82	9/28/82	3-22-0038-01-82	DOT-FA-82SW-8661	90/10	Complete parallel and associated taxiways for runway 18L/36R, including drainage improvements and marking	
4	10/4/83	10/4/83	3-22-0038-01-82	DOT-FA-82SW-8661		Amendment 1	
5	2/3/86	3/20/86	3-22-0038-01-82	DOT-FA-82SW-8661		Amendment 2	
6							
7	8/20/83	3/20/86	3-22-0038-02	DOT-FA-83SW-8909	90/10	Install MIRL on Runway 18L/36R	
8							
9	4/8/83	4/20/83	3-22-0038-03		90/10	Master Plan Update	
10							
11	8/23/83	8/26/83	3-22-0038-04	DOT-FA-83SW-8910	90/10	Hydraulic, Fill Area A to B	
12							
13	9/20/84	09/25/84	3-22-038-05	DOT-FA-84SW-8188	90/10	Rehabilitate Airfield Lighting System, Install MITL for parallel taxiway; Install Taxiway Signs and Control Panels	
14							
15	6/16/86	06/25/86	3-22-0038-06	DOT-FA-86SW-8902	90/10	Construct, mark, and light 650-foot extension to Runway 36L, 250-foot extension to Runway 18R, etc.	
16		04/20/88	3-22-0038-06	DOT-FA-86SW-8902	90/10	Amendment No. 1	
17							
18	7/26/89	8/1/89	3-22-0038-07	DOT FA 89 SW-8763	90/10	Aircraft Rescue and Fire Fighting Vehicle	
19							
20	9/11/90	9/17/90	3-22-0038-08	DOT FA 90 SW-8171	90/10	Phase I Site Preparation East side T/W Apron & Access Road	
21							
22	3/28/91	04/16/91	3-22-0038-09	DOT FA 91 SW-8228	90/10	Overlay Taxiway B	
23							
24	9/18/91	09/20/91	3-22-0038-10	DOT FA 91 SW-8321	90/10	Reconstruct Terminal Apron	
25							
26	8/5/93	08/19/93	3-22-0038-11	DOT FA 93 SW-8143	90/10	Install Airfield Guidance Signage and Install MITL	
27							
28	6/24/94	06/24/94	3-22-0038-12	DOT FA 94 SW-8003	90/10	Prepare Airport Master Plan Update	
29							
30	4/19/95	4/21/95	08-22-0038-13	DOT FA95 SW-8007	90/10	Phase II Taxiway Apron Roadway Improvement Project	
31							
32	9/15/99	9/28/99	03-22-0038-14	DOT FA 99 SW-8149	90/10	Rehabilitate Runway 18R/36L	
33							
34	9/29/99	9/30/99	03-22-0038-15	DOT FA 99 SW-8159	90/10	Seal coat Taxiway Bravo	
35							
36	9/17/01	9/19/01	03-22-0038-16	n/a	90/10	Install Perimeter Fences. Access control gates	
37							

Exhibit F

EXHIBIT F

AMERICAN AIRPORTS CORPORATION SUMMARY OF PROJECTS AND AIRPORT MANAGEMENT EXPERIENCE

SUMMARY BY PROJECTS

1. Management Structures Developed:

- Los Alamos Airport, New Mexico.
- La Chinita Airport - State of Zulia, Venezuela.
- Ore Negro Airport - State of Zulia, Venezuela.
- Maracaibo - Santa Barbara International Airport - State of Zulia, Venezuela.
- Newnan-Coweta County Airport, Newnan, Georgia.

2. Accounting Systems Design:

- Arthur Dunn Airport - Titusville, Florida.
- Merritt Island Airport - Merritt Island, Florida.
- TiCo Airport (Space Center Executive) - Titusville, Florida.
- Newnan-Coweta County Airport - Georgia.
- Winder-Barrow County Airport - Winder, Georgia.
- Los Angeles County Airports (5) - Los Angeles, California

3. Request for Proposal Development and Management (includes FBOs, rental car, parking facilities, restaurant and other concessions):

- Winder-Barrow County Airport, Georgia.
- Bader Field Airport, New Jersey.
- Shawnee Municipal Airport, Oklahoma.
- Port Columbus International Airport, Ohio.
- Atlantic City International Airport, New Jersey.

- Gwinnett County Airport, Briscoe Field, Georgia.
- Lee Gilmer Memorial Airport, Gainesville, Georgia.
- Newnan-Coweta County Airport, Georgia.
- El Monte Airport, Los Angeles County, California.
- Whiteman Airport, Los Angeles County, California.

4. Airport Operating Plans & Emergency/Contingency Plans:

- Winder-Barrow County Airport, Georgia.
- Galveston Municipal Airport, Scholes Field, Texas.
- Gwinnett County Airport, Georgia.
- Los Alamos Airport, New Mexico.
- Newnan-Coweta County Airport, Georgia.
- General William J. Fox Airfield, Lancaster, California.

5. Rates & Fees Studies:

- Winder-Barrow County Airport, Georgia.
- Athens Ben Epps Airport, Athens, Georgia.
- Newnan-Coweta County Airport, Georgia.
- Titusville-Cocoa Airport Authority, Titusville, Merritt Island, Florida.
- Lee Gilmer Memorial Airport, Georgia.

6. Minimum Standards Development:

- Winder-Barrow County Airport, Georgia.
- Titusville-Cocoa Airport Authority, Florida.
- Newnan-Coweta County Airport, Georgia.

7. Airport Marketing and Development:

- Winder-Barrow County Airport, Georgia.
- Newnan-Coweta County Airport, Georgia.

- Altoona-Blair County Airport, Pennsylvania.
- Compton/Woodley Airport, Los Angeles County, California.
- Brackett Field Airport, Los Angeles County, California.
- Whiteman Airport, California.
- El Monte Airport, California.
- General William J. Fox Airfield, California.

8. Development of a full business plan, marketing plan and leasing plan for each airport including the development and/or upgrade of all leases.

9. Other Government Services (as agency representative):

- 1994 Georgia State Aviation System Plan - *for State of Georgia, Department of Transportation as agency representative.*
- 2001 Georgia State Aviation System Plan – *for State of Georgia as Consultant*
- Part 139 Study – *for the County of Los Angeles at General William J. Fox Field.*
- Model Height Hazard Zoning Ordinance - *for Houston Galveston Area Council.*
- Houston Airport Reliever System Plan - *for Houston Galveston Area Council.*
- Atlanta Regional Aviation System Plan - *for Atlanta Regional Commission.*
- Atlanta Olympic Aviation System Plan - *for Atlanta Regional Commission.*

CURRENT FACILITIES AND AIRPORTS MANAGED BY THE COMPANY

Altoona-Blair County Airport, Martinsburg, Pennsylvania

1. American Airports Corporation, under contract with the Blair County Airport Authority, is responsible for the management and operation of this F.A.R. Part 139 commercial service airport, located near the Borough of Martinsburg on State Route 866 in Blair County. AAC pays for all operational costs of the airport, and is also responsible for managing the PFC program for Altoona-Blair County. The airport, approximately 15 miles south of Altoona, is included in the essential air service program. AAC assumed operation of the airport from Comarco Services in 2000. The Blair County Airport Authority recently celebrated reaching its foremost milestone when AAC, in its first full year of operation, returned the first ever profitable year in the airport's history. In addition, AAC was instrumental in developing and leasing the first new corporate hangar in recent history. As a result, two additional facilities are now under consideration.

2. The airport has 64 based aircraft and experiences over 50,000 annual operations. The airport is home to one of two Automated Flight Service Stations (AFSS) within the Commonwealth of Pennsylvania.

3. Altoona-Blair County Airport has two paved runways. Runway 2/20, the primary runway, is 5,466 feet long, 100 feet wide, with high-intensity runway lighting (HIRL). The secondary runway, Runway 12/30, is 3,668 feet long, 75 feet

wide, and equipped with medium-intensity runway lighting (MIRL). The airport has one precision approach (ILS RW 20), and both runways are equipped with precision approach path indicators (PAPI). A new Master Plan Study for the airport is currently under way.

4. Other projects currently under way include perimeter security, wildlife fencing, environmental assessment for Runway 12/30 extension, obstruction removals, land acquisition, corporate and T-hangar construction, water, sewer and storm water extensions, snow removal equipment (SRE) acquisition, a new aircraft rescue and fire fighter (ARFF) building, SRE building renovation, de-icing pad construction, and taxiway and apron rehabilitation projects.

5. AAC was instrumental in acquiring 50% matching funds from the State of Pennsylvania and arranging debt financing for the remaining 50% to provide for a new \$1.2 million dollar corporate facility under construction, and is providing for additional hangar storage facilities under the same program. The facility and debt are secured by long-term lease arrangements and guarantees provided by a major oil supplier in the region.

Winder-Barrow County Airport, Winder, Georgia

6. American Airports Corporation began operating Winder-Barrow County Airport in 1998, under a five-year management contract with the Barrow County Airport Authority. In 2000, the Authority and County amended the

agreement to extend to 2010 and provide for a number of renewal options beyond that time. AAC is responsible for the management and operation of the airport, including all financial responsibilities. Additionally, AAC was asked to take on the responsibility for operating the Authority's FBO facility, and offering first-class FBO service to aircraft ranging from small general aviation to Fortune 500 corporate jets. Winder-Barrow is critically located along the new University Parkway Biotechnical Corridor, in one of the Nation's fastest growing areas. Because of its location, the airport has been slated by the State for improved highway access to University Parkway, linking the University of Georgia in Athens with Georgia Tech in Atlanta. With 135 based aircraft and 20 national guard helicopters, Winder-Barrow is one of the few airports selected to participate in the Governor's Airport Enhancement Program.

7. The airport is developing into a multi-modal transportation facility, with AAC working with the Georgia Rail Authority to develop future commuter service. Recent improvements include a \$75,000 crack-seal project for all taxiways and Runway 5/23. The implementation of an Airport Emergency Plan, a Storm Water Pollution Prevention Plan, and new Airport Minimum Standards has increased safety and brought the airport into compliance with all government mandates and programs. Under the Governor's Airport Enhancement Program, a 500-ft. parallel taxiway extension for runway 13/31 and a medium intensity runway

Exhibit F AAC Projects

lighting system (MIRL) are in progress. Through AAC's efforts, installation of an automated weather observation station was recently completed and funded entirely by Department of Defense and State funds. AAC also acquired a commitment from the Department of Defense for funding of a new glideslope to enhance the economic viability and safety of the airport. Current projects also include security improvements, total refurbishing of airport lighting and signage systems, and an aggressive land acquisition program to ensure the airport's runway protection zones. Private funding of corporate and T-hangar developments are part of a \$6 million capital improvement program under way. A 1,000-ft. runway extension is also slated for the near future.

Brackett Airport, La Verne, California

8. AAC, under contract with the County of Los Angeles, is responsible for the management and operations, including all fueling operations, of this controlled 258-acre general aviation airport, which is located within the city limits of La Verne, 20 miles east of downtown Los Angeles. This contract commenced in 1990, and was assigned to AAC in 2000 with the approval of the County of Los Angeles.

9. The airport has 482 based aircraft and experiences over 252,400 annual operations. It is home to a state-of-the-art FAA air traffic control tower; three FBO operators; helicopter maintenance; aircraft maintenance; instrument sales

and repairs; and Mount San Antonio College's Aviation Department, Power Plant School, and A&P Airframe. AAC was instrumental in creating a leasing policy and documentation and approval process, that has attracted private investment to the airport. These efforts have resulted in the development of a new corporate hangar complex of approximately 36,000 sq. ft. and a new maintenance hangar of 15,000 sq. ft. AAC is also in the process of master planning 20 acres of land for aviation uses.

10. Brackett Airport has two paved runways. Runway 8R/26L, the primary runway, is 4,839 feet long, 75 feet wide, with medium intensity runway lighting (MIRL). The secondary runway, Runway 8L/26R, is 3,661 feet long, 75 feet wide. The airport has one precision approach (ILS RW 26L), and each end of Runway 8R/26L is equipped with precision approach path indicators (PAPI).

11. A new security upgrade is currently under way with the installation of CCTVs at various locations funded from airport revenues paid to the County. Other slated projects under way include new valves-water main, water line at the southeast corner, security fencing, entrance sign, fuel station monitor, pavement rehab, north side wash rack, and a sewer line for the north side.

Compton/Woodley Airport, Compton, California

12. American Airports Corporation, under contract with the County of Los Angeles, is responsible for the management and operations, including all

fueling operations, of this 77-acre uncontrolled general aviation airport. It is located near Interstate 91, about 10 miles south of downtown Los Angeles, and under the Class B airspace servicing LAX. This contract commenced in 1990, and was assigned to AAC in 2000 with the approval of the County of Los Angeles.

13. The Airport has 275 based aircraft and over 60,000 annual operations. It is home to several FBOs that offer aircraft maintenance, painting, and other aircraft services. AAC resolved a longstanding litigious battle with the largest tenant of the airport, successfully removing the tenant and re-leasing facilities within thirty days to add a major EAA facility and helicopter and fixed wing training facility.

14. Compton/Woodley Airport has two paved parallel runways: 7L/25R and 7R/25L. Runway 7L/25R is 3,670 feet long, 60 feet wide, with no lighting. This runway is used for VFR operations. Runway 7R/25L is 3,670 feet long, 60 feet wide, with medium intensity runway lighting (MIRL). Only Runway 25L has runway end identifier lights and a two-box visual approach slope indicator (VASI).

15. Other projects projected for 2001-2002 which AAC will manage or coordinate include security fencing, slurry seal of the south ramp, fuel station monitor, runway lighting and signage. The airport is fully built out, and AAC is developing a plan for the upgrade and rehabilitation of the existing structures.

Newnan-Coweta County Airport, Newnan, Georgia

16. American Airports Corporation, under a management contract dated 1997 with the Newnan-Coweta County Airport Authority, is responsible for the entire airport operation, including management of capital projects and the sole FBO facility on the airport. AAC was responsible in its first three years for acquiring private funding and developing more facility space than the Airport Authority had in the last thirty-four years. Three leases for 36,000 additional square feet were pending when the County took over the Authority and placed a moratorium on airport construction. Since that time, AAC's role and presence have increased, the moratorium lifted and a commitment has been made by the County to invest additional funds for hangars, to increase the economic viability of this reliever for Atlanta Hartsfield Airport. A three-year extension is currently under way with renewal options.

17. AAC established an emergency plan, minimum standards, standard leasing policies and contracts for this facility, and managed installation of a new fuel farm facility utilizing bank financing payable from fuel revenues with an additional County guarantee. As with Winder-Barrow Airport, Newnan was also privileged to be selected as a participant in the Governor's Airport Enhancement Program, and is currently undergoing a \$1.2 million runway extension and installation of an approach lighting system under the Program.

18. AAC is also assisting the Authority with an aggressive business development plan to utilize the facility's location and attract not only corporate and business aviation, but maintenance and manufacturing facilities as well.

El Monte Airport, El Monte, California

19. American Airports Corporation, under contract with the County of Los Angeles, is responsible for the management and operations, including fueling operations, of this controlled 103-acre general aviation airport, which is located within the city limits of El Monte, California, and 15 miles east of downtown Los Angeles. This contract commenced in 1990, and was assigned to AAC in 2000 with the approval of the County of Los Angeles. AAC assisted the County with construction of a new 7,650-square foot modern terminal, developed a restaurant concession and leased the space, which was completed in June of 2001. When an RFP process for a restaurant operator was unsuccessful, AAC, through its direct marketing efforts, found a quality operator that will serve the airport, aviation community, and local population. Improvements to the facility, funded by a joint effort of the County and Operator, are under way with opening slated for April 2002.

20. El Monte Airport has 355 based aircraft and experiences over 164,600 annual operations. It is home to a state-of-the-art FAA air traffic control tower, three FBO/flight schools, several aircraft maintenance facilities, flying clubs, and

several local law enforcement helicopter operations. The airport is often the backdrop for the nearby motion picture industry. Well-known TV shows such as “America’s Most Wanted” have filmed on the premises. AAC has established a professional affiliation with the LA Film Commission to facilitate this revenue source for this as well as all its other airport locations.

21. El Monte Airport has one paved runway. Runway 1/19 is 3,995 feet long, 75 feet wide, and is equipped with medium intensity runway lighting (MIRL). Each end of the runway is equipped with precision approach path indicators (PAPI).

22. The airport itself has recently undergone some significant upgrades that were brought in on budget and on schedule, such as comprehensive runway lighting and signage, and AOA perimeter fencing on the west side of the airfield. The new Terminal Administrative Building will serve airport patrons and the community with a restaurant, a pilot’s lounge, airport management offices, and a multi-purpose meeting area. Slated projects include a slurry seal for the runway, taxiway, and ramp areas funded from revenues paid to the County by AAC.

Whiteman Airport, Pacoima, California

23. AAC, under contract with the County of Los Angeles, is responsible for the management and operations, including fueling operations, of this controlled 184-acre general aviation airport, which is located in the middle of the San Fernando Valley, an area with about 3 million people located among three major

freeways. This contract commenced in 1990, and was assigned to AAC in 2000 with the approval of the County of Los Angeles.

24. The airport has 700 based aircraft and experiences over 160,000 annual operations. The airport is home to a state-of-the-art contract air traffic control tower, three FBOs, three major maintenance repair stations, flight schools, and a helicopter maintenance operation. The airport is also a popular location for the motion picture industry. AAC was instrumental in creating a leasing policy and documentation and approval process, that has attracted private investment to the airport. These efforts have brought a new corporate hangar complex totaling over 100,000 sq. ft.

25. Whiteman Airport has one paved runway. Runway 12/30 is 4,120 feet long, 75 feet wide, and is equipped with medium intensity runway lighting (MIRL). Each end of the runway is equipped with a two-light precision approach path indicator (PAPI).

26. AAC just completed a new self-service fuel pit with underground fuel storage tanks and conversion of one the main storage tanks from Avgas to Jet A. Other projects currently under way are the removal of utility poles and lines at the departure end of Runway 12. The utility lines are being installed underground. The design phase for a new sewer line was completed and the installation is currently in progress. Projected projects include land acquisition, run-up area, fencing, and a

new access road for the control tower. AAC also developed an RFP for the County, and will provide the analysis and oversight approval process and ultimate lease of 6.9 acres of industrial land to be developed into over 150,000 square feet of buildings. AAC is also responsible for the planning and leasing of 15 acres of aviation-use land for FBOs, maintenance facilities, and corporate hangars.

General Wm. J. Fox Airfield, Lancaster, California

27. AAC, under contract with the County of Los Angeles, is responsible for the management and operations, including fueling operations, of this controlled 1200-acre general aviation airport, which is located three miles northwest of Lancaster, California. Fox Airfield is the only general aviation airport in the Antelope Valley, serving several communities including Palmdale, Rosamond and Lancaster. This contract commenced in 1990, and was assigned to AAC in 2000 with the approval of the County of Los Angeles.

28. The airport has 175 based aircraft and experiences over 90,000 annual operations. The airport is home to a state-of-the-art FAA air traffic control tower, two FBO operators, a U.S. Department of firefighting Forestry Base, Aircraft Museum, and several other aviation-related businesses. AAC, through its marketing, has created interest in new development, and has three leases in negotiation for corporate and T-Hangar development.

29. Fox Airfield has one paved non-precision instrument runway. Runway 6/24 is 7,200 feet long, 150 feet wide, with medium intensity runway lighting (MIRL). Each end of the runway is equipped with a 4-light precision approach path indicator (PAPI).

30. The airport itself has recently undergone some significant upgrades, funded by revenues paid to the County by AAC, including the extension of the runway from 5,000 feet to 7,200 feet, new lighting and signage, and a complete retrofit of the fueling facility. Other projects currently under way are the overlay of the tie-down and ramp areas, and reinforced parking areas for heavy aircraft. Projected projects include land acquisition, restaurant modifications, and security fencing and electric gates.

31. AAC was awarded a special project by the County to develop an airport certification manual and related projects to convert the airport to Part 139 status for the advent of planned new scheduled service to serve Lancaster and the surrounding Edwards Air Force Base area.

Tacoma Narrows Airport, Gig Harbor, Washington

32. AAC, under contract dated 1987 and assigned to AAC in 2000 with the City of Tacoma, is responsible for the management and operation of this controlled 567-acre general aviation airport, which is located 5 miles southwest of the town of Gig Harbor and 6 miles east of Tacoma.

33. The airport has 140 based aircraft and experiences over 107,000 annual operations. It is home to a state-of-the-art FAA air traffic control tower, an on-call U.S. Customs Office, two full-service FBOs, and flight schools. AAC has been instrumental in resolving longstanding pre-existing litigative disputes with the major FBO, who had ceased providing services to the airport due to financial problems unrelated to the airport, which have served to prevent this vital community asset from reaching its full potential. In fulfilling this duty, AAC is in the process of finding a replacement restaurant operator for a non-performing lessee, establishing new rates and fees, and is in the process of standardizing and updating all airport leases. In addition to the airport operation, AAC is also responsible for providing and maintaining the integrity of the water supply for the airport.

34. Tacoma Narrows Airport has one paved runway. Runway 17/35 is 5,002 feet long, 150 feet wide, and is equipped with medium intensity runway lighting (MIRL). Runway 17 is equipped with an ILS precision approach, medium intensity approach lighting system (MALSAR) with runway alignment indicator lights, and a four-light precision approach path indicator (PAPI). Runway 35 is equipped with a four-box visual approach slope indicator (VASI). A new Master Plan Study for the Airport is under way.

35. In the previous paragraphs, we have described the operations that AAC performs for the County of Los Angeles at Brackett Airport, Compton/Woodley Airport, El Monte Airport, Whiteman Airport, and General Wm. J. Fox Airfield. It is notable that under this contract, AAC, in addition to its own investment and maintenance responsibilities at the airports, paid to Los Angeles County over \$2.5 million in fees in 2001, and maintains a \$2,000,000 performance bond.

Supermarine of Santa Monica, Santa Monica, California

36. AAC operates Supermarine of Santa Monica, an FBO operation at the Santa Monica Airport.

37. The major shareholder of AAC invested over \$20 million in debt and equity in developing the 10-acre, 30-year leasehold, which includes 74,000 sq. ft. of hangars; 3,000 sq. ft. of terminal; 40,000 sq. ft. of museum; and 30,000 sq. ft. of offices.

Exhibit G

EXHIBIT G

AMERICAN AIRPORTS CORPORATION KEY PERSONNEL

SCOTT B. FULLER, Vice President of Airports, American Airports Corporation

1. Prior to American Airports Corporation, Mr. Fuller was Founder and Principal of American Airport Technologies, LLC, and Airport Technologies, Inc., both contract management firms. Mr. Fuller was Director of Aviation for Gwinnett County, the fastest growing large county in the U.S. during the decade of the 1980s. Mr. Fuller, who spearheaded a \$25 million expansion, which grew the airport from one to over forty firms, was featured in Airport Business magazine as Director of Atlanta's hottest airport.

2. A frequently requested lecturer at national and regional airport conferences, Mr. Fuller's topics have included "Financial Management of an Airport for Profit" for the FAA Great Lakes Region and "Airport Privatization - to Privatize or Not Privatize" for the American Associates of Airport Executives, the latter resulting from Mr. Fuller's previous experience in developing over four airports in three states under the contract management structure with Pan Am World Services. He was responsible for the development of four other airports in two states under city/county and authority-type structures.

3. Prior to entering airport management, Mr. Fuller had served for 6 years with Showalter Flying Service in Orlando, Florida, recognized then and now

as one of the premier FBO firms in the nation. His background also includes Controller of a construction firm, a major automobile rental service, and an accounting systems design company.

4. Technical Specialties: Airport Management; Airport Carrier Development; Airport Operations; Accounting/Finance; Contracts Development & Administration; Contract Services; Project Management

5. Education: Bachelor of Science, Business Administration, University of Central Florida; Corporate Management Development Program, Boston College; Airport Manager's Seminars, Auburn University; International Crash-Fire-Rescue Academy, Lubbock, TX

6. Organizational Affiliations: American Association of Airport Executives; Southeastern Airport Managers Association - SEC Chapter AAAE; Atlanta Regional Commission - Airport Advisory Committee; Past President - Georgia Airports Association; Atlanta Aero Club - National Aeronautical Association; Aircraft Owners and Pilots Association. Mr. Fuller holds a private license with instrument rating and is currently working on commercial and multi-engine ratings.

Mr. Fuller's Specific Experience

Air Carrier Airports – International
Atlantic City International Airport, Pomona, New Jersey

7. As Manager of Business Development for Pan Am World Services, Mr. Fuller was brought in to this airport facility leased by a subsidiary, Pan Am Management Systems (PAMS), eight months into the project, to improve scheduled service and eliminate the financial hardship to the firm caused by this contract. Mr. Fuller was responsible for developing the ground transportation rules, regulations, fees and permit system, as well as the identification and elimination of impediments to the development of scheduled service.

8. Finding a resolution to eliminate the ten-year litigious situation at nearby Bader Field Airport, also managed by PAMS, allowed Mr. Fuller to eliminate an unfair competitive situation, and acquire the amenities needed to attract and accommodate services, such as rental car facilities, competitive FBOs, etc. Writing and managing all RFPs issued, Mr. Fuller also was responsible for negotiating agreements with USAir and Piedmont Airlines, which are still thriving ten years later. Within eighteen months, revenues had increased over \$550,000 annually.

9. Mr. Fuller developed ground transportation rules, regulations and procedures for limousines, taxis, bus service and courtesy cars, and instituted fees and a permit system. He developed an RFP, bid, and awarded three in-terminal

rental car concession agreements to Hertz, Budget, and National; acquired improved scheduled service and significant increase in capacity with the addition of USAir and Piedmont Airlines; acquired an additional FBO operator; and acquired an inter-terminal travel agency and re-negotiated a restaurant concession agreement.

Galveston – Scholes Field, Galveston, Texas

10. As Project Manager for this management contract, Mr. Fuller was responsible for restoring the F.A.R. Part 139 Certificate of the airport and returning scheduled air service to this international airport for the City. Mr. Fuller resolved all non-compliant conditions and negotiated an agreement with the FAA to allow the City to maintain over 200 acres of recreational facilities previously ordered removed. Mr. Fuller developed standardized lease agreements, rates & fees, and policies, which provided the stability needed for tenants to invest in their facilities.

11. When attempts to lure service to compete with Houston/Hobby (approximately 45 miles away) failed, efforts were regenerated to work toward the establishment of a new airline to provide service to be based in Galveston. Mr. Fuller's efforts were recognized as key to the development of Texas Airlines, owned by the Baker Brothers (Mobil Oil founding family) of Houston.

12. Mr. Fuller managed recovery and rebuilding efforts (\$600,000) in coordination with the Federal Emergency Management Agency, for damages associated with Hurricane Alicia in 1983. He instituted financial and accounting

controls; resolved the City's non-compliant status with the Federal Surplus Properties Act, reinstating eligibility for federal grant funds; acquired new commuter service; resolved pending litigation with the existing FBO and acquired a new operator; reduced maintenance and administrative staffing, while increasing productivity through cross-utilization of personnel; acquired and managed over \$500,000 in AIP funds for drainage improvements and security fencing; re-negotiated over 60 commercial leases and acquired new business developments (warehousing, leisure, etc.); and supervised the installation of an \$800,000 MALSR and relocation of an on-airport \$250,000 VORTAC facility, fully funded by the FAA.

Maracaibo - Santa Barbara International Airport - State of Zulia, Venezuela

13. Under subcontract with Jerry Thompson Associates of Washington, D.C., Mr. Fuller was responsible for the development of a complete organizational structure, staffing, and development of budgets for this international facility for the State of Zulia. Under a denationalization effort, Venezuela transferred responsibility for this and two other airports to the State. Working with incomplete and missing records, the airport structure had to be developed from the ground up. The existing staff numbered 480 at this one facility.

Port Columbus International Airport - Columbus, Ohio

14. Performed a study on the City's loss from operation of remote parking, recommended privatization, and developed and managed the competitive proposal process, resulting in improved user services and an increase in revenues to the airport of \$5,000,000 over the Term of agreement.

Los Alamos National Laboratories Airport - Los Alamos, New Mexico

15. Responsible for the inspection, evaluation, and development of an airport operating manual, Emergency/Contingency and Security Plans. These were needed to allow this airport, owned by the U.S. Department of Energy, to obtain F.A.R. 139 status to allow for improved air service by larger aircraft. This project was made more sensitive than usual as a result of the mission and security needs of Los Alamos National Laboratories and of the Mission of the Department of Energy at this facility.

Athens Ben Epps Airport - Athens, Georgia

16. Hired by the Airport Authority to develop a plan for the business development of Athens Ben Epps Airport and to develop a management structure for this F.A.R. Part 139 air carrier facility after their dissatisfaction with the study of a previous consultant. This airport serves the Athens-Clarke County and the University of Georgia. The plan identified over \$100,000 in new revenue within

the first year of implementation, and discussions are under way for AAC's continued assistance in the development of this airport.

17. Developed standard lease agreements, rates & fees study, profit center study, and performed accounting systems review and recommendations.

Space Center Executive - Titusville, Florida

18. Developed airport rules, regulations, minimum operating standards, and lease and operating agreements, in preparation and anticipation of new charter service to this facility serving the Space Coast and Port Canaveral. This is fast becoming the busiest cruise terminal in the world. The airport was recently identified as one of the first test locations of maglev technology in the country.

19. As Deputy Director, was responsible for Crash-Fire-Rescue procedures and operations, air traffic control, and overall airport operation for this Part 139 facility.

Gwinnett County Airport - Briscoe Field, Lawrenceville, Georgia

20. Managed a \$25,000,000 project to build a new runway (and airport, for all practical purposes), \$22,000,000 of which was federal funds. With the FAA's elimination of the instrument landing system program, this project became known as the FAA's most expensive Visual Flight Rules (VFR) runway in the country. Mr. Fuller worked with the Congress and U.S. Senate to include a line

item in the FAA appropriation legislation requiring the installation of an ILS, which was critical to the project's success. Through innovative construction methods and agreements, this ILS has the record for the shortest commissioning time by the FAA, which was seven (7) days after completion of construction. In addition, through the federal appropriations process, Mr. Fuller, with the assistance of Rep. Newt Gingrich's office, was able to acquire FAA funding and approvals for the operation of an air traffic control tower and other essential facilities.

Lee Gilmer Memorial Airport - Gainesville, Georgia

21. Hired by the city of Gainesville to develop and manage Requests For Proposal for a new fixed base operation for the airport. Included in this work scope was the development of rates and fees, contracts and award that resulted in an over ten-fold increase in revenues to the City from this operation. AAC's services have been retained on an "as needed" basis for future work with the City.

ROBERT A. CLIFFORD, Executive Vice President, American Airports Corporation

1. Robert A. Clifford is primarily responsible for business development, marketing, business planning, and implementation of business and marketing plans for the company and airports. He is also responsible for the development of the airport leases, establishing rates and fees, financial analysis and deal underwriting of new leases, airport acquisitions aviation real estate development, and business proformas. He also provides general oversight to the airports and company operations.

2. Mr. Clifford is the founding partner of American Airports Corporation, a stockholder and member of the Board of Directors. Previously he was President of R.A.C. Realty, Inc. DBA Western Holdings, and a Principal in California Operator Developments. These companies represented Fortune 500 companies in all facets of corporate real estate work including build-to-suit development, lease and sublease of new and excess properties, and buying and selling of land and improved property holdings. His primary accomplishments are developing and executing business plans related to real estate to accommodate the growth or retrenchment of certain companies in the aviation, golf and medical fields.

3. Mr. Clifford is a graduate of Pepperdine University with a Bachelor of Arts Degree in Organizational Communications and Business Administration, with

additional course work at USC, and has completed numerous extension and professional courses in real estate, including: Real Estate Law; Real Estate Taxation; Fundamental of Real Estate Valuation; and Office Building Development and Management. Mr. Clifford is a licensed California Real Estate Broker, has been in the business since 1983, and has been with American Airports Corporation since 1997.

4. He resides in Brentwood, California and is a member of the Bel Air Bay Club. Professional memberships include: Santa Monica and Los Angeles Board of Realtors; Urban Land Institute (in application); Los Angeles Commercial Realtors Association; Aircraft Owners and Pilots Association; and a corporate membership in American Association of Airport Executives. He also maintains a current single-engine land Pilot's License and is currently working on an IFR license.

KRIS THABIT, Chief Operating Officer

1. Kris Thabit is Chief Operating Officer of American Airports Corporation and is primarily responsible for company operations, finance and strategic planning. Mr. Thabit is a founding partner of American Airports Corporation, a stockholder and member of the Board of Directors.

2. For the past 7 years, Mr. Thabit has served as President of Aviation Contract Services and Vice President of Supermarine of Santa Monica, a \$20 million FBO operation which includes aircraft fueling, 33 hangars, offices, and a museum. It is located at the Santa Monica Airport in California.

3. In addition, Mr. Thabit has served as Vice President of American Golf Corporation and American Golf Development, responsible for real estate and new business development. During his time at American Golf, Mr. Thabit has been involved in the construction, sale, management, and leasing of residential and commercial property valued at over \$50 million including offices, shopping centers, single family homes, and condominiums.

4. Mr. Thabit is an officer and Board member of Oaks Christian School (OCS), a \$40 million, non-profit Christian middle and high school located in Westlake Village, California, now in its second year of operation. Mr. Thabit managed the creation and development of OCS.

5. Mr. Thabit graduated from Harvard University in 1988 with a Bachelor of Arts degree in Economics. After college, he spent time as a real estate consultant and worked as an acquisitions specialist in the golf course management industry.

*DAVID G. PRICE, Chairman of the Board & CEO,
American Golf Corporation & American Airports Corporation*

1. David G. Price is the major shareholder and Chairman of the Board of American Golf Corporation, which he founded in 1972. American Golf is the world's largest operator of golf courses and currently operates over 320 public golf courses and private country clubs throughout the United States, England, Australia and Japan. American Golf experienced gross revenues of \$825 million in 2000.

2. Mr. Price is also Chairman of National Golf Properties, a real estate investment trust traded on the New York Stock Exchange, with a market capitalization of \$1.1 billion. It currently owns over 150 golf courses.

3. In 1997, Mr. Price founded American Airports Corporation, an airport management and aviation properties company. AAC has 9 airports under management in 4 states, and employs over 100 people.

4. Mr. Price also owns and operates Supermarine, a fixed-base operation at Santa Monica Airport, which he developed from vacant land. He is Chairman of the Museum of Flying, which houses a number of Douglas and World War II airplanes. The museum, formerly the Donald Douglas Museum and Library, has been in operation since 1989, and is a great tribute to, and resource for, the history of aviation.

5. Mr. Price has served as President of Getty Financial Corporation, Getty Resorts Corporation and Don The Beachcomber Restaurants. He was also a Director and Vice President of the Hotel Bel Air in Los Angeles and the U.S. Grant Hotel in San Diego. Prior to his tenure with Getty, Mr. Price was an attorney at the law firm of O'Melveny & Myers in Los Angeles.

6. Mr. Price was born and raised in Los Angeles, California. He is a graduate of the University of Southern California, where he was President of the Phi Kappa Psi Fraternity, and received his Bachelor of Arts in Economics. He is also a graduate of the UCLA School of Law, served as a member of the Law Review, and was awarded the "1998 Alumnus of the Year Award" for Public/Community Service by the UCLA School of Law.

7. Mr. Price served as a lieutenant with the United States Navy and was a jet fighter pilot and flight instructor. During the Reagan presidency, he was privileged to serve as a member of the Secretary of the Navy's Advisory Board on Education and Training (SABET).

8. Mr. Price is a current member of the Chief Executives Organization.

DAVID RUSSELL HINSON, Member, Board of Directors, American Airports Corporation, and Chairman, International Aerospace Solutions

1. As former Administrator of the Federal Aviation Administration, Mr. Hinson brings his in-depth experience and extensive aviation past to American Airports as an advisor on policy, business development and growth strategies.

2. Mr. Hinson has held senior positions in the industry including Chairman of Midway Airlines and Hinson-Minella Inc., Vice-President of McDonnell–Douglas, and Executive Assistant to the Chairman at Hughes Airwest. A former Naval Aviator, Mr. Hinson is a graduate of the University of Washington and the Stanford University Graduate School of Business Executive Program.

3. Recently elected to the Oklahoma Aviation Hall of Fame, Mr. Hinson also occupies seats on the Boards of Continental – Illinois Bank, Chicago & Northwestern Railroad, Penwest, Inc., and Midway Airlines, and in addition to sitting on many academic boards, he is Chairman of the Board of Visitors of the Aircraft Owners and Pilots Association.

TIM E. WHITMAN, Regional Director

1. Mr. Whitman is currently Regional Director responsible for the operation of Winder-Barrow County Airport and Newnan-Coweta County Airports in Georgia. These general aviation airports northeast and southwest of Atlanta are situated in one of the fastest growing areas in the country. The procurement and administration of grant funding, management and development of facilities lease negotiations, and airport operations and safety are some of Mr. Whitman's other areas of expertise.

2. Prior to joining AAC, Mr. Whitman was the Operations Director for the Titusville-Cocoa Airport Authority, which owns and operates two busy general aviation airports and one FAR Part 139 certificated facility on Florida's Space Coast. While with the Authority, Mr. Whitman was responsible for the management of a \$20 million Capital Improvement Program, lease negotiations and administration, day-to-day operations of all three airports, development and implementation of airport emergency and FAR Part 107 security plans, air carrier operations, marketing, and construction management. Mr. Whitman was featured in AAAE's *Airport Magazine* for his organization of the summer 1998 "Florida Firestorm" emergency response efforts at Space Coast Regional Airport. He was also noted for his public relations and operations handling of the high-traffic event created by John Glenn's return to space, bringing over 350 transient aircraft to the airport in one day.

3. Mr. Whitman was the founder/chairperson of the First National Academic AAAE Conference, and has been a speaker at the National Airports Conference. He is also a frequent speaker to emergency response organizations and has been a guest lecturer at Embry Riddle Aeronautical University and Oklahoma State University.

4. Technical Specialties: Airport Management and Development, Airport Operations and Safety, Air Carrier and General Aviation, Airport Compliance, Airport Emergency Response Management.

5. Education: Master of Science in Aviation Administration, Oklahoma State University. Bachelor of Science in Aviation Management, Oklahoma State University. AAAE Airport Safety and Operations Specialist School; AAAE Air Rescue Fire Fighting Training; Aviation Business Administration/Aviation Safety, Embry Riddle Aeronautical University.

6. Organizational Affiliations: American Association of Airport Executives, AAAE Academic Relations Committee Co-Chair; Southeastern Airport Managers Association – SEC Chapter AAAE; Georgia Airports Association; Florida Airport Managers Association.

E. RAY FLETCHER, Aviation Specialist

1. Mr. Fletcher, prior to serving American Airports, was employed by the Georgia Department of Transportation for 25 years in the Aviation Programs Section. His most recent position was Manager of the organization. Mr. Fletcher was responsible for the management of an annual budget of approximately \$3 million that was disbursed in grants to communities for the development of their airports. Projects included new runways, taxiways, and aprons, as well as pavement maintenance, airport lighting and approach aids.

2. Mr. Fletcher has been involved in all facets of aviation. He participated and directed the accomplishment of the Georgia Aviation System Plan, and has worked closely with aviation consultants in the development and review of airport master plans and airport layout plans. He has been responsible for the development of the Georgia Airport Directory and Aeronautical Chart. In addition, he has been deeply involved with the FAA on airspace matters that varied from review and comments on tall towers, restricted airspace, and military operations areas (MOAs) to the establishment of instrument approaches and recommendations for the development of airways within the State of Georgia.

3. A native of Americus, Georgia, Mr. Fletcher has been associated with aviation for over 50 years. A former U.S. Air Force B-52 Aircraft Commander, he

accumulated over 9,000 hours flying time. He is an instrument rated commercial pilot qualified in multi- and single-engine airplanes.

4. Aviation Specialties: Airport Planning and Development, Airport Management, Contracts Administration, Airspace Management and Zoning, Aircraft Pilot.

5. Education: Bachelor of Aviation Management, Auburn University- Associates Degree, Georgia Southwestern College; FAA Airport Planning Course; FAA Airport Inspection Course; Airport Managers Seminars, Auburn University; U. S. Air Force Flying School, Numerous Service Schools.

6. Organizational Affiliations: Georgia Airports Association, Georgia Aviation Hall of Fame, Museum of Aviation, Warner Robins, Metropolitan Atlanta Airports Council, Atlanta Aero Club.

RICHARD E. FREEMAN, C.M., Director of Airports, Western U.S. Region

1. Mr. Freeman is responsible for overseeing the day-to-day operations of six west coast airports and assisting in business development for the western U. S. Prior to joining American Airports Corporation, he was employed by the Melbourne International Airport in Melbourne, Florida, as Assistant Director of Aviation, Operations and Facilities. He was responsible for the airfield and air terminal area, industrial air center, operations, security, safety, rules and regulations, and the physical plant. He managed a staff of 45 employees, consisting of Maintenance, Police, ARFF, and Operations. He was responsible for a budget of \$4 million, and AIP, State funds for projects, such as runway overlay, international fuel farm, completed terminal renovations (interior and exterior), safety area, and environmental projects. His duties also have included Airport Security Coordinator and coordination of their yearly Airport Extravaganza.

2. Before joining Melbourne International Airport's team, Richard was Airport Manager of the third busiest airport in the state of Pennsylvania, the Northeast Philadelphia Airport, a General Aviation Reliever Airport. He was responsible for managing and directing the daily operations and maintenance of the airport, with an operating budget of \$3.2 million. He restructured a staff of 28 and developed and implemented a comprehensive business plan designed to reduce a deficit of \$3.2 million. At Mr. Freeman's departure, the deficit had been reduced by \$2.2 million, leaving \$1 million to be subsidized by the air carriers at Philadelphia

International Airport. He was also responsible for economic development, lease and contract negotiations and marketing of the airport, and was successful in obtaining the services of U.S. Customs and Immigrations for International Corporate Flights.

3. Prior to Mr. Freeman's affiliation with Melbourne International and Philadelphia Executive Airports, he had an additional ten years' experience as operations and administration supervisor for several executive airports and airlines, bringing with him an excellent background of organization and management skills.

4. Previous positions include Operations Officer and Supervisor at Philadelphia International, Dane County Regional in Wisconsin, Fort Lauderdale Executive, and with Air Virginia and Eastern Airlines.

5. Technical Specialties: Airport Operations; Airport Security; Airport Emergency Response Management; Air Carrier Operations; Business Development; General Aviation Airports; International Presentations and Operations; and Airport Management.

6. Education: Bachelor of Science in Aviation Management - Florida Institute of Technology; AAAE/FAA Airport Operations Specialist School; Certified Member, AAAE; Virginia Flight School; Private Pilot's License; AAAE Airport Safety & Operations Specialty School; FAA Fire Fighting Training.

7. Organizational Affiliations: Florida Airport Managers Association; American Association of Airport Executives; Southeast Chapter, AAAE; Airport Council International; Member, Governor's Freight Stakeholders Task Force, State of Florida.

Exhibit H

EXHIBIT H

UNITED PROFESSIONALS COMPANY KEY PERSONNEL

LARRY J. SISUNG, JR., Member and Chairman of United Professionals Company LLC; and Shareholder, Chairman and President of Sisung Securities Corporation; and Member and Chairman of Sisung Investment Management Services, LLC; and Member and Chairman of Sisung Capital, LLC

Mr. Sisung earned a Bachelor's degree in Finance and Education and a Master's degree in Administration and Statistics from Northwestern State University. Mr. Sisung is the former Superintendent of the 35th largest school district in the United States and founder of Sisung Securities Corporation; Sisung Investment Management Services, LLC; Sisung Capital, LLC; and United Professionals Company, LLC. He has over two decades of finance experience as an issuer, financial adviser, investment consultant, and underwriter. As a financial representative for Sisung Securities Corporation, he has served on the underwriting and financial advisory team that has secured over \$6 billion of funds. As Chairman of Sisung Investment Management Services, LLC, he has led the acquisition of over \$1 billion of assets for management. As founder of Sisung Capital, LLC, Mr. Sisung has created a company dedicated to providing alternative financing to small businesses so as to have a positive impact on their economic future, as well as the community in which they reside. As founder and Chairman of United Professionals Company, LLC, Mr. Sisung has created a firm that can provide comprehensive

Exhibit H
UPC Key Personnel

assistance to real estate and business developments. Mr. Sisung is a member of numerous professional and business organizations, on the NASD Business District Conduct Committee, and serves as an arbitrator for the NASD.

R. LANE SISUNG, Member and President of United Professionals Company, LLC; and Executive Vice-President of Sisung Securities Corporation; and Member and President of Sisung Investment Management Services, LLC; and Member and Vice-President of Sisung Capital, LLC

Mr. Sisung earned a Bachelor of Science Degree in Accounting from Louisiana State University. After graduation, he sat for and passed the Certified Public Accountant exam and then attended Loyola University Law School, where he earned a Juris Doctorate Degree. After law school, Mr. Sisung earned an LLM in Tax Law from the University of Florida. Since that time, Mr. Sisung has served in various capacities of the Sisung affiliated firms. Mr. Sisung currently is the Executive Vice President of Sisung Securities Corporation overseeing the trading and sales, public and corporate finance, and mergers and acquisitions operations of that full-service NASD-registered broker-dealer. Mr. Sisung is also serving as President of Sisung Investment Management Services, LLC, and has assisted in acquiring over \$1 billion of assets for management. Mr. Sisung also serves as a vice president for a venture capital company, Sisung Capital, LLC, and in that role, evaluates investment alternatives and provides assistance in the day-to-day management. Mr. Sisung is also the President of United Professionals Company, LLC, and in such capacity, works on real estate and business development projects ranging from hotel developments to residential developments to commercial developments.

Exhibit H
UPC Key Personnel

SEAN S. SMITH, Vice-President of United Professionals Company, LLC; and Vice-President of Sisung Securities Corporation

Mr. Smith earned a Bachelor of Arts Degree in Business and a Masters of Business Administration Degree from Southeastern Louisiana University. Mr. Smith serves as a Project Manager on various real estate and business development projects. Mr. Smith will be the Project Manager assigned by UPC to the New Orleans Lakefront Airport. In that capacity, Mr. Smith will work closely with AAC and the OLD to ensure a smooth transition process, as well as thereafter continuing to work with both to ensure a successful development.

DWYER & CAMBRE; Counsel to United Professionals Company, LLC

UPC also draws upon the strengths of its affiliation with the law firm of Dwyer & Cambre. Steve Dwyer, one of its principals, works with UPC on all of its development activities, and has over 20 years of representing and participating in developments in the New Orleans area, as well as developments nationwide. Mr. Dwyer will act as local counsel to Private Operator in its negotiations with the OLD and in regard to the future developments at the Airport. Additionally, Dwyer & Cambre retains the services of Marlene Quarrels. Ms. Quarrels has spent over 7 years working as an attorney for the New Orleans Armstrong International Airport. AAC and UPC, as Private Operator, will be drawing upon her experience and expertise.

Exhibit I

EXHIBIT I

AMERICAN AIRPORTS CORPORATION
FINANCIAL STATEMENTS FOR 2000 AND 2001

WITH HELD AT THE APPLICANT'S REQUEST

Exhibit J

EXHIBIT J

FAR PART 135 OPERATORS LETTERS OF APPROVAL

KavAir, L.L.C.

New Orleans Lakefront Airport Terminal, 6001 Stars and Stripes Blvd., Suite 100
New Orleans, LA 70126, 504.899.2500 ext. 203 FAX 504.899.7127

September 8, 2001

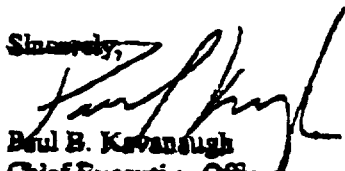
New Orleans Lakefront Airport
6001 Stars and Stripes Blvd.
New Orleans, LA 70126

Dear Sirs;

As Chief Executive Officer of KavAir, a Part 135 Air Carrier based at Lakefront Airport, I do not oppose the airport's privatization plans.

I certainly hope that current management of the airport remains involved and that my lease arrangements are not changed or negatively impacted. If you have further questions you may contact me at 504-899-2500 ext. 203.

Sincerely,



Paul B. Kavanaugh
Chief Executive Officer



AIR CHARTER ASSOCIATES, INC.
P.O. Box 840007
New Orleans, Louisiana 70184

September 10, 2001

New Orleans Levee District
New Orleans Lakefront Airport
6001 Stars and Stripes Blvd.,
Suite 101, Terminal Bldg.
New Orleans, LA 70126-8003

Re: Airport Privatization

Gentlemen:

Air Charter Associates, Inc./LifeFlight New Orleans does not anticipate any adverse effect on its operations as a result of the proposed privatization of the Airport. We, therefore, offer no objection to said privatization.

Very truly yours,


Ms. Linda M. McCullough
President/CEO

Exhibit K

EXHIBIT K

**LEGAL OPINION AND CERTIFICATION REGARDING
PLAN FOR CONTINUED OPERATION OF THE AIRPORT**

DWYER & CAMBRE

A PROFESSIONAL LAW CORPORATION

3421 N. CAUSEWAY BLVD.

SUITE 707

METAIRIE, LOUISIANA 70002

TEL: (504) 838-9090

FAX: (504) 838-9187

e-mail: sdwyer@dwycambre.com

STEPHEN I. DWYER*

**Also Admitted in Texas*

MANDEVILLE OFFICE:

1524 WEST CAUSEWAY APPROACH

MANDEVILLE, LA 70471

TEL: (985) 624-3307

FAX: (985) 624-3327

April 19, 2002

Federal Aviation Administration
Attention: Jane Garvey, Administrator
800 Independence Avenue, S. W.
Washington, D.C. 20591

Re: New Orleans Lakefront Airport

Dear Ladies and Gentlemen:

We have acted as special New Orleans counsel to American Airports Lakefront, L.L.C. ("AAC" or the "Tenant") in connection with a proposed long-term lease (the "Lease") from the Orleans Levee District, acting by and through its Board of Commissioners (the "OLD" or the "Landlord"), of the New Orleans Lakefront Airport, New Orleans, Louisiana (the "Airport"). In connection therewith, the OLD, as public sponsor, and the AAC, as proposed private operator, are to file jointly pursuant to 49 U.S.C.A. Section 47134 (1997 and 1998 P.P.) and the regulations promulgated thereunder 62 FR 48693 (September 16, 1997) (the "Final Regulations") a Final Application under the Airport Privatization Program, dated as of April 22, 2002, (the "Final Application") with the Federal Aviation Administration (the "FAA").

You have asked for our legal opinion as to the provisions of Sections 362(b)(4) and 365(d)(3) and certain related provisions of the federal Bankruptcy Code, 11 U.S.C.A. Section 101, et seq., (1993 and 1998 P.P.) (the "Bankruptcy Code") in the context of Section VII(A)(3) of the Final Application, assuming arguendo, the filing at a future date of a petition in bankruptcy by or against AAC when AAC is a ground lessee of the Airport from the OLD. In rendering the opinions expressed herein, we examined the following: (1) the Final Application; (2) the Final Regulations, and

accompanying Supplemental Information; and (3) such other documents, records and instruments as we have deemed necessary or appropriate as a basis for the opinion hereinafter set forth. In such examination, we have assumed the authenticity of all documents submitted to us as drafts or as certified, conformed, photostatic or facsimile copies and the authenticity of the originals of such latter documents.

Background

The Final Regulations refer to the statutory requirements under 49 U.S.C.A. Section 47134(c)(2), which states that the Secretary of Transportation may approve an application only if it ensures that "The operation of the airport will not be interrupted in the event the purchaser or lessee becomes insolvent or seeks or becomes subject to any State or Federal bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding...."

The Lease of the Airport between the OLD, as Landlord, and AAC, as Tenant, as described in the Final Application, will contain provisions which the Landlord and the Tenant intend to ensure that the operation of the Airport will not be interrupted in the event that the Tenant become insolvent or seeks or becomes subject to any bankruptcy, reorganization, insolvency, liquidation or dissolution proceeding pursuant to State or Federal law.

The Automatic Stay

The Bankruptcy Code contains an automatic stay provision at Section 362. Paragraph (a) of that section provides that a petition for bankruptcy filed by or against a debtor operates to stay certain acts against such debtor. The automatic stay provision applies to the commencement or continuation of certain claims and proceedings against the debtor, the enforcement of certain judgments, certain acts to possess or control property of the debtor's estate and certain liens and set-offs. The automatic stay continues until such time as the debtor's bankruptcy case is closed or dismissed or until a discharge is granted or denied. The Bankruptcy Court, upon request by a party in interest and after a hearing, may terminate, annul, modify or condition the stay with respect to certain property of the debtor.

Exceptions to the Automatic Stay

Paragraph (b) of Section 362 of the Code provides that a

petition for bankruptcy filed by a debtor does not operate to stay certain other acts against such debtor. Particularly relevant to the uninterrupted operation of the Airport is Section 362(b)(4), which permits a governmental unit to commence or continue an action or proceeding to enforce such governmental unit's police or regulatory power. As a "governmental unit" as defined under the Bankruptcy Code, 11 U.S.C.A. §101(27), the OLD may, in reliance on Section 362(b)(4), commence or continue any legal action to enforce its police powers without regard to the automatic stay under Section 362(a)(1).

In addition, if AAC were to file a petition for bankruptcy protection, Section 365(d)(3) of the Bankruptcy Code requires AAC as a debtor in possession (or else a court-appointed bankruptcy trustee) to continue to fulfill all of the obligations of the Tenant under the Lease until such time as the Lease is either assumed or rejected by AAC (or court-appointed bankruptcy trustee). Acceptance of such interim performance by the OLD does not waive or relinquish the OLD's rights under the Lease or the Bankruptcy Code. Thus, in the event of AAC's bankruptcy petition, interim performance by either the Tenant (or a court-appointed bankruptcy trustee) under Section 365(d)(3) is another factor that is relevant to the continued operation of the Airport.

Section VII(A)(3) of the Final Application

Section VII(A)(3) of the Final Application states in its entirety:

The public sponsor can assure the continued operation of the Airport in the event the Private Operator encounters financial difficulty, including the filing for bankruptcy protection, and as a result fails to operate the Airport in accordance with all laws, regulations and other legal requirements, including without limitation, FAA Grant Assurances.

Under Section 365(d)(3) of the Federal Bankruptcy Code, if the Private Operator files a petition for bankruptcy protection, the Private Operator as debtor in possession (or a court-appointed bankruptcy trustee) is required, unless and until the Lease is

rejected by the Private Operator, to perform its obligations under the Lease, which include an obligation to operate the Airport in accordance with all laws, regulations and other legal requirements, including without limitation, FAA Grant Assurances. In the event the Lease is rejected by the Private Operator, the Airport reverts to the public sponsor.

Under Section 362(b)(4) of the Federal Bankruptcy Code, the OLD (which is a 'governmental unit' under Section 101(27) of the Federal Bankruptcy Code) may enforce its police powers without regard to the "automatic stay" that affects commercial creditors immediately upon a debtor's bankruptcy filing. Therefore, Section 362(b)(4) of the Federal Bankruptcy Code gives the public sponsor the right, in the event the Private Operator fails to operate the airport in accordance with all laws, regulations and other legal requirements, including, without limitation, FAA Grant Assurances, to enter upon the airport and to operate the airport to promote order, safety, health and the general welfare under a claim of the proper exercise of its police power.

Based on the foregoing and our review of such other matters as we consider necessary for the purposes of this opinion and subject to the qualifications stated herein, it is our opinion that if the issue of whether the public sponsor is permitted to enter upon the airport to operate the airport in the event that the airport operator becomes a debtor under the Federal Bankruptcy Code and, notwithstanding the requirements of Section 365(d)(3) of the Federal Bankruptcy Code, thereafter fails to operate the airport in accordance with all laws, regulations and other legal requirements, including, without limitation, FAA grant assurances, is properly presented to a court in a case where the necessity of exercising the police power to assure order, public safety, health and/or general welfare is demonstrated, the court should find that under the "police power" provision in Section 362(b)(4) of the Federal Bankruptcy Code, the public sponsor is permitted to gain entrance to the airport and to operate the airport without regard to the

"automatic stay" under Section 362 of the Federal Bankruptcy Code.

Further, we are of the opinion that if in the recognized exercise of its police power under applicable non-bankruptcy law and upon the failure of the airport operator to operate the airport in accordance with all laws, regulations and other legal requirements, including, without limitation, FAA grant assurances, the public sponsor could gain entrance to and operate the airport to assure order, public safety, health and/or general welfare, without first obtaining judicial approval to do so, then, based on the occurrence of the same facts and circumstances, but after the airport operator becomes a debtor under the Federal Bankruptcy Code, prior judicial approval should not be required for the public sponsor to take similar action, although such action could later be challenged by the Debtor.

The foregoing opinion is limited to the Federal laws of the United States and the laws of the State of Louisiana and we are expressing no opinion as to the effect of the laws of any other jurisdiction. The foregoing opinion assumes that the Lease shall have been duly executed by, and shall be binding upon, the applicable parties thereto.

This opinion is addressed solely to you for your own use and benefit and may not be disclosed to or relied upon by anyone else without our prior written consent, provided that a copy hereof may be filed with the FAA as an Appendix to the Final Application and disclosed to third parties by the FAA and the State, in accordance with applicable laws and regulations regarding such disclosure.

Very truly yours,



Stephen I. Dwyer

SID/ag

G:\COMMON\6452FAA\tr.LakefrontAirport.sis.wpd

Exhibit L

EXHIBIT L

**PUBLIC SPONSOR'S MOST RECENT
5-YEAR CAPITAL IMPROVEMENT PLAN**

New Orleans Lakefront Airport
Five Year Capital Improvement Program, 2002-2006

PROGRAM NARRATIVE

The proposed projects for Lakefront Airport are designed to enhance safety of operations and increase capacity in order to satisfy requirements of projected growth. Lakefront Airport is the designated Reliever Airport for Louis Armstrong – New Orleans International Airport. It is serving increasing numbers of larger turbo-fan powered corporate aircraft. The proposed projects will accommodate projected growth as well as enhance efficiency and safety.

1. Replace Aircraft Rescue & Fire Fighting (ARFF) vehicle

The Airport operates a 1990 Oshkosh T-1500 ARFF vehicle, which has now been in service for 11 years. In the comments and recommendations received from the FAA Airport Inspector following Lakefront's most recent (April 2001) Part 139 inspection, the age of the vehicle was noted and replacement was recommended. An ARFF vehicle of similar capacity (1,500 gallons of water, 200 gallons of AFFF, and at least 500 pounds of dry chemical extinguishing agent) is required to maintain operational readiness as mandated by the Airport Certification Specification.

Estimated cost to replace the current ARFF vehicle is \$550,000.

2. Expand Seawall Limits, North Ends of Runways 18R/36L and 18L/36R, and Extend Runway 18R/36L Northwards 1,125 Feet

This item is a multi-phase project to extend the primary north-south runway and associated parallel taxiway. The goal is to provide an ASDA of at least 7,000 feet with a standard Runway Safety Area (RSA) of 1,000 feet for takeoffs on both 18R and 36L. Lakefront Airport is the designated Reliever for New Orleans International Airport (Moisant Field), and is serving increasing numbers of large turbo-fan powered corporate aircraft. This increase in runway length and safety/overrun areas will substantially enhance both safety and capacity of the Airport.

The current proposal has been scaled down from the extension envisioned in the current Airport Layout Plan and 1996 Master Plan Update. The primary reason for this reduction in scope is cost. The project as proposed herein addresses Lakefront Airport's most critical operational safety and capacity issues.

It is proposed to extend the seawall from the existing north end of Runway 18R/36L to encompass an additional area 1,100 feet in length (north-south orientation) and 800 feet in width. This area will be filled, and a 1,125-foot runway extension will be built on it. Adding 1,125 feet to the runway will result in a total paved length of 8,004 feet. Taxiway Bravo, the parallel taxiway serving Runway 18R/36L, will be extended to match the additional length of the runway, and a bypass will be added at

the north end of the taxiway. An east-west connecting taxiway, Taxiway Lima, will be extended westward from Taxiway Bravo to Runway 18R/36L. This project will require relocation of the Runway 18R MALSR, VASIs, and ILS glideslope antenna.

Year 1 of this project will require \$5 Million to construct the seawall extension. Years 2 and 3 will require \$5 Million each year for fill (land reclamation) and site preparation. Years 4 and 5 will require \$800,000 each year for construction of the runway and taxiway extensions, including signs and lighting.

3. Reconstruct Seawall, Airport Northeast Boundary

The seawall bordering the northeast quadrant of the Airport has suffered severe failures in two locations on the east side and one location on the north side. Additional failures are imminent. Substantial soil erosion has occurred, and continued erosion will eventually jeopardize the integrity of Rwy 18L/36R and Taxiways Charlie, Lima, and Kilo. Segments most in need of reconstruction are approximately 1,600 feet of the east seawall, northward to the northeast corner, and from thence approximately 875 feet westward. Reconstruction will preserve land required for forecast growth of the Airport.

Total cost of reconstructing the north and east seawall is estimated at \$21 Million. The Airport Sponsor (Board of Commissioners of the Orleans Levee District) is seeking additional capital outlay program funding for this project from the State of Louisiana. The current request for AIP funding is \$5 Million.

4. Rehabilitate and Expand ARFF Station

The ARFF Station has been noted to be inadequate in each of the last four annual FAA Part 139 airport inspections. The vehicle bay in particular – especially the bay door opening – is barely large enough to accommodate our (1990 model) Oshkosh T-1500 ARFF vehicle. New model ARFF vehicles simply will not fit into the vehicle bay.

It is anticipated that a new apparatus bay will be built in what is currently a parking lot on the north side of the existing ARFF station. This would further obstruct the already limited view of the airfield from the ARFF watch room. The ARFF station upgrade should include a new watch room with an improved view of the airfield.

5. Extend Runway 18L/36R Southwards

This item constitutes another part of our multi-phase project to extend the north-south runways and taxiways. Extending this runway southwards as far as permitted by obstacle clearance standards and the controlling obstacle (a building known as "Hangar 17") will maximize use of available land for runway extensions. Combined with Item 5 (below), this will bring the useable length of Rwy 18L/36R to just over 5,000 feet, long enough to be safely used by most of the business jets which frequent this airport.

6. Extend Runway 18L/36R Northwards

This item constitutes the final part of our multi-phase project to extend the north-south runways and taxiways. Extending this runway 960 feet northwards, combined with Item 4 (above), will result in a useable runway length of approximately 5,040 feet with 500-foot safety overruns in each direction.

Taxiway Charlie, the east parallel taxiway serving Runway 18L/36R, will be extended to match the additional length of the runway. A new east-west connecting taxiway will be constructed at the north end of Runway 18L/36R, running from Taxiway Charlie westwards to Runway 18R/36L.

7. Sealcoat Runways 9/27 and 18L/36R;

This work is needed to preserve existing pavements.

8. Sealcoat Taxiways C, D, E, H, J, K, and L

This work is needed to preserve existing pavements.

**9. Construct Perimeter Road around Runway 27 APCH;
Relocate Airfield Perimeter Fence around Runway 27 APCH;
Pave Perimeter Road South of Runway 18R Localizer Antenna**

Construction of new perimeter roads and improvement of existing perimeter roads would significantly enhance safety by reducing the need for airport vehicles – fuel trucks and tugs in particular – to cross active runways.

**10. Extend Runway 9/27 Eastwards;
Realign Eastern Segment of Taxiway F to Standard Rwy-Twy Spacing**

Runway 9/27 is now only 3,094 feet long. There is room to extend this runway eastward, which would enhance its utility and safety. Also, the segment of Taxiway F east of the Taylor Energy ("Williams") hangar angles towards the approach end of Runway 27, resulting in less than standard runway-taxiway spacing and very awkward holding position markings.

Exhibit M

EXHIBIT M

**PRIVATE OPERATOR'S PROPOSED
5-YEAR CAPITAL IMPROVEMENT PLAN**

Project Description (year)	FAA		State Share	Private Operator Share	Total
	Entitlement	Discretionary			
FY/03					
Expand limits of site/seawall S-A (1)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Renovate 1st floor existing admin.		\$ 77,400	\$ 19,350	\$ 96,750	\$ 193,500
Total	\$ -	\$ 5,477,400	\$ 619,350	\$ 96,750	\$ 6,193,500
FY/04					
Expand limits of site/seawall S-A (2)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ -	\$ 5,400,000	\$ 600,000	\$ -	\$ 6,000,000
FY/05					
Construct exit twy for rwy 18R/36L		\$ 294,640	\$ 73,660	\$ 368,300	\$ 736,600
Passenger Loading Bridges Common (2)	\$ 453,600		\$ 50,400	\$ -	\$ 504,000
Expand limits of site/seawall S-A (3)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ 453,600	\$ 5,694,640	\$ 724,060	\$ 368,300	\$ 7,240,600
FY/06					
Widen twy K to 75'		\$ 34,668	\$ 8,667	\$ 43,335	\$ 86,670
Widen twy J to 75'		\$ 54,288	\$ 13,572	\$ 67,860	\$ 135,720
Widen twy H to 75'		\$ 270,000	\$ 67,500	\$ 337,500	\$ 675,000
Expand limits of site/seawall S-A (4)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ -	\$ 6,758,956	\$ 689,739	\$ 448,695	\$ 6,897,390
FY/06					
Expand limits of site/seawall S-A (5)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ -	\$ 5,400,000	\$ 600,000	\$ -	\$ 6,000,000
Five Year Subtotal	\$ 453,600	\$ 27,730,996	\$ 3,233,149	\$ 913,745	\$ 32,331,490
FY/03-07					
Private Projects based on Demand					
Construct 2 135'x100' hangers w/off.				\$ 2,593,400	\$ 2,593,400
Construct 36 T-hangers				\$ 1,300,000	\$ 1,300,000
FY/03-07 Totals incl Demand Projects	\$ 453,600	\$ 27,730,996	\$ 3,233,149	\$ 4,807,145	\$ 36,224,890

Project Description (year)	Entitlement	Discretionary	State Share	Private Operator Share	Total
FY/08					
Extend rwy 18R/36L north 960'	\$ 1,000,000	\$ 1,339,920	\$ 334,980	\$ 674,900	\$ 3,349,800
Relocate rwy end 36L north 435'		\$ 379,960	\$ 94,990	\$ 474,950	\$ 949,900
Relocate rwy 18R MALSR, Middle M		\$ 194,800	\$ 48,700	\$ 243,500	\$ 487,000
Relocate rwy 18R ILS glide slope		\$ 17,720	\$ 4,430	\$ 22,150	\$ 44,300
Total	\$ 1,000,000	\$ 1,932,400	\$ 483,100	\$ 1,415,500	\$ 4,831,000

FY/09-12

Site preparation new terminal	\$ 1,000,000	\$ 238,130	\$ 137,570	\$ -	\$ 1,375,700
Widen twy H 75' east of twy C	\$ 26,086	\$ 20,804	\$ 5,210	\$ -	\$ 52,100
Widen twy E 75' east of twy C	\$ 93,600	\$ 74,880	\$ 18,720	\$ -	\$ 187,200
Construct 3 135'x100' hangers w/off.				\$ 4,714,500	\$ 4,714,500
Relocate Lloyd Stearman Drive			\$ 200,000	\$ 3,136,200	\$ 3,336,200
Construct terminal Access roadway	\$ 953,950	\$ 763,160	\$ 190,790	\$ -	\$ 1,907,900
Site prep/demo pvmt near terminal	\$ 205,350	\$ 218,960	\$ 54,740	\$ 68,350	\$ 547,400
Construct facility parking				\$ 2,417,000	\$ 2,417,000
Construct Utility services New Term.		\$ 75,880	\$ 18,970	\$ 94,850	\$ 189,700
Construct new air carrier apron		\$ 761,880	\$ 190,470	\$ 952,350	\$ 1,904,700
Maintenance overlays	\$ 824,700	\$ 2,310,160	\$ 577,540	\$ 2,063,000	\$ 5,775,400
Total	\$ 3,103,686	\$ 4,463,854	\$ 1,394,010	\$ 13,446,250	\$ 22,407,800

Project Description (year)	Entitlement	Discretionary	State Share	Private Operator Share	Total
FY/13-17					
Construct new 40,000sf terminal	\$ 824,700			\$ 7,327,100	\$ 8,151,800
Construct parallel twy to 9-27	\$ 529,000	\$ 423,200	\$ 105,800	\$ -	\$ 1,058,000
Widen fillet intersec.twyD & rwy 9/27	\$ 19,800		\$ 2,200	\$ -	\$ 22,000
Extend rwy 9-27 and assc.twy's east	\$ 943,950	\$ 755,160	\$ 188,790	\$ -	\$ 1,887,900
Construct extension twy-L as exit	\$ 220,150	\$ 176,120	\$ 44,030	\$ -	\$ 440,300
Extend rwy 18L/36R south 335'	\$ 417,900	\$ 334,320	\$ 83,580	\$ -	\$ 835,800
Extend rwy 18L/36R north 965'	\$ 929,150	\$ 743,320	\$ 185,830	\$ -	\$ 1,858,300
Construct curbside canopy	\$ 375,000	\$ 300,000	\$ 75,000	\$ -	\$ 750,000
Construct connector twy-twyE and M	\$ 64,700	\$ 51,760	\$ 12,940	\$ -	\$ 129,400
Construct extension Lloyd Stearman	\$ 324,450	\$ 259,560	\$ 64,890	\$ -	\$ 648,900
Construct vehicle parking E of hangar				\$ 200,000	\$ 200,000
Construct 2 135'x100' hangers w/off.				\$ 2,593,400	\$ 2,593,400
Construct tie down apron w of Hang.	\$ 1,184,700	\$ 1,118,440	\$ 279,610	\$ 213,350	\$ 2,796,100
Construct final extension Lloyd S.		\$ 258,400	\$ 64,600	\$ 323,000	\$ 646,000
Construct vehicle parking E of hanger		\$ 68,800	\$ 17,200	\$ 86,000	\$ 172,000
Relocate,construct 7 T-hanger units		\$ 292,640	\$ 73,160	\$ 365,800	\$ 731,600
Construct 3 135'x100' hangers				\$ 3,055,500	\$ 3,055,500
Construct tie down apron areas		\$ 638,240	\$ 159,560	\$ 797,800	\$ 1,595,600
Expand existing ARFF facilities		\$ 24,660	\$ 6,165	\$ 30,825	\$ 61,650
Total	\$ 5,833,500	\$ 5,444,620	\$ 1,363,355	\$ 14,992,775	\$ 27,634,250
Program Total	\$ 10,390,786	\$ 39,571,870	\$ 6,473,614	\$ 34,661,670	\$ 91,097,940

Project Description (year)	Private Operator Share				Total
	PFC	Airport Revs.	Debt or Equity	Other Private Sources	
FY/03					
Expand limits of site/seawall S-A (1)				\$	-
Renovate 1st floor existing admin.			\$ 96,750	\$	96,750
Total	\$ -	\$ -	\$ 96,750	\$ -	\$ 96,750
FY/04					
Expand limits of site/seawall S-A (2)				\$	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -
FY/05					
Construct exit twy for rwy 18R/36L		\$ 368,300		\$	368,300
Passenger Loading Bridges Common (2)				\$	-
Expand limits of site/seawall S-A (3)				\$	-
Total	\$ -	\$ 368,300	\$ -	\$ -	\$ 368,300
FY/06					
Widen twy K to 75'		\$ 43,335		\$	43,335
Widen twy J to 75'		\$ 67,860		\$	67,860
Widen twy H to 75'		\$ 337,500		\$	337,500
Expand limits of site/seawall S-A (4)				\$	-
Total	\$ -	\$ 448,695	\$ -	\$ -	\$ 448,695
FY/06					
Expand limits of site/seawall S-A (5)				\$	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -
Five Year Subtotal	\$ -	\$ 816,995	\$ 96,750	\$ -	\$ 913,745
FY/03-07					
Private Projects based on Demand					
Construct 2 135'x100' hangers w/off.			\$ 1,296,700	\$ 1,296,700	\$ 2,593,400
Construct 36 T-hangers				\$ 1,300,000	\$ 1,300,000
FY/03-07 Totals incl Demand Projects	\$ -	\$ 816,995	\$ 1,393,450	\$ 2,596,700	\$ 4,807,145

Project Description (year)	PFC	Airport Revs.	Debt or Equity	Other Private Sources	Total
FY/08					
Extend rwy 18R/36L north 960'		\$ 674,900		\$	674,900
Relocate rwy end 36L north 435'		\$ 474,950		\$	474,950
Relocate rwy 18R MALSR, Middle M		\$ 243,500		\$	243,500
Relocate rwy 18R ILS glide slope		\$ 22,150		\$	22,150
Total	\$ -	\$ 1,415,500	\$ -	\$ -	\$ 1,415,500

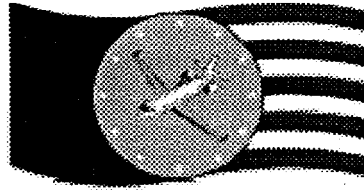
FY/09-12					
Site preparation new terminal				\$	-
Widen twy H 75' east of twy C				\$	-
Widen twy E 75' east of twy C				\$	-
Construct 3 135'x100' hangers w/off.			\$ 3,143,000	\$ 1,571,500	\$ 4,714,500
Relocate Lloyd Stearman Drive	\$ 3,002,580	\$ 133,620			\$ 3,136,200
Construct terminal Access roadway				\$	-
Site prep/demo pvmt near terminal	\$ 68,350			\$	68,350
Construct facility parking	\$ 2,417,000			\$	2,417,000
Construct Utility services New Term.	\$ 94,850			\$	94,850
Construct new air carrier apron	\$ 952,350			\$	952,350
Maintenance overlays		\$ 2,063,000		\$	2,063,000
Total	\$ 6,535,130	\$ 2,196,620	\$ 3,143,000	\$ 1,571,500	\$ 13,446,250

Project Description (year)	PFC	Airport Revs.	Debt or Equity	Other Private Sources	Total
FY/13-17					
Construct new 40,000sf terminal	\$ 7,327,100			\$	7,327,100
Construct parallel twy to 9-27				\$	-
Widen fillet intersec.twyD & rwy 9/27				\$	-
Extend rwy 9-27 and assc.twy's east				\$	-
Construct extension twy-L as exit				\$	-
Extend rwy 18L/36R south 335'				\$	-
Extend rwy 18L/36R north 965'				\$	-
Construct curbside canopy				\$	-
Construct connector twy-twyE and M				\$	-
Construct extension Lloyd Stearman				\$	-
Construct vehicle parking E of hangar	\$ 200,000			\$	200,000
Construct 2 135'x100' hangers w/off.			\$ 1,296,700	\$ 1,296,700	\$ 2,593,400
Construct tie down apron w of Hang.		\$ 213,350			\$ 213,350
Construct final extension Lloyd S.		\$ 323,000			\$ 323,000
Construct vehicle parking E of hangar	\$ 86,000				\$ 86,000
Relocate,construct 7 T-hanger units		\$ 365,800			\$ 365,800
Construct 3 135'x100' hangers			\$ 1,018,500	\$ 2,037,000	\$ 3,055,500
Construct tie down apron areas		\$ 797,800			\$ 797,800
Expand existing ARFF facilities		\$ 30,825			\$ 30,825
Total	\$ 7,613,100	\$ 1,730,775	\$ 2,315,200	\$ 3,333,700	\$ 14,992,775
Program Total	\$ 14,148,230	\$ 6,159,890	\$ 6,851,650	\$ 7,501,900	\$ 34,661,670

Exhibit N

EXHIBIT N

**PRIVATE OPERATOR'S WRITTEN RESPONSE
TO QUESTIONS POSED BY THE PUBLIC**



American Airports Corporation

2951 28th Street, Suite 3000
Santa Monica, California 90405-2961
Racwh@earthlink.net
Telephone (310) 664-4051 • Facsimile (310) 664-4360

Dear New Orleans Lakefront Airport Neighbor:

American Airports Corporation and United Professionals Company would like to thank you for the opportunity to address your concerns regarding the future of the New Orleans Lakefront Airport at the recent public forum.

We appreciate the feedback that you have provided us with during this process, and we have listened to you. We have worked with the Levee Board and their consultants to develop a proposal that will invest needed resources in the Airport and address community concerns about the future of the New Orleans Lakefront Airport and your neighborhoods. We hope that through our presentation we were able to provide you with answers that addressed your concerns.

Included with this letter is a summary of the questions that you asked us at our recent community meeting and our answers to those questions. We encourage you to pass these questions and answers along to your organization's members and your neighbors. We must reiterate that no one has been selected to negotiate a final lease and operating agreement for the New Orleans Lakefront Airport. Therefore, the answers we have provided only address what we are planning and would attempt to do if selected.

American Airports and United Professionals Company have spent a considerable amount of time, effort and resources in this RFP process to study the current airport operations and plans. We have endeavored to meet with many of you in an attempt to understand your concerns regarding changes in your communities. Our goal is to develop operational and development plans that will benefit the Airport, the Orleans Levee District, and the surrounding community.

We continue to be extremely excited about the opportunity to lease and manage the New Orleans Lakefront Airport. We realize that a large part of our success will depend on our neighbors' support. If selected, we will work to establish strong relationships with you and your neighbors to keep you informed about the New Orleans Lakefront Airport. We look forward to the opportunity to work with you in the future to make the New Orleans Lakefront Airport the best that it can be.

Sincerely,

Robert Clifford

Cc: Orleans Levee District

QUESTIONS AND ANSWERS ABOUT THE FUTURE OF THE NEW ORLEANS LAKEFRONT AIRPORT

Following is a summary of the questions that you asked American Airports Corporation (AAC) during our recent community meeting to discuss the future of the New Orleans Lakefront Airport.

QUESTIONS ABOUT LAKEFRONT AIRPORT OPERATIONS AND PRIVATIZATION:

Why can a private company operate Lakefront Airport at a profit when the Levee Board could not?

A private company, such as AAC, can create operating efficiencies that can save money for the Airport and the Orleans Levee District. In addition, private companies have management expertise and access to state-of-the-art procedures and technology that they can implement to make the Airport work better. In addition, if selected, we will invest capital into the Airport to improve the revenues being generated from current Airport assets.

Will your company employ persons currently employed by the Levee District?

If we are selected, we will offer all current airport employees a position with our company.

What is AAC's position on the reconstruction of the bulkhead?

The bulkhead issue is primarily an issue of land erosion. The damaged portion of the steel sheet piled bulkhead has no effect on the land used for airport operations and aviation activity. Additionally, our current non-aviation plans do not include the areas affected by the deteriorating bulkhead.

If selected, we will work with the Orleans Levee District to secure any Federal, State or local financial assistance, which could be utilized to repair the bulkhead and would continue to seek other solutions so that the land affected by the bulkhead could be utilized in the future.

QUESTIONS ABOUT LAKEFRONT AIRPORT AIR TRAFFIC ...

If Airport management were to be transferred from the Orleans Levee District to a private company how would the noise levels surrounding the Airport be impacted?

Currently there are no established and published procedures with respect to noise sensitivity. We have developed a preliminary noise abatement program as part of our proposal to operate the New Orleans Lakefront Airport. If selected, we will work with the Federal Aviation Administration (FAA) and Orleans Levee District to put that program into action. Our proposed noise abatement program includes the following:

- Establishment of a noise abatement office and a noise abatement officer to monitor noise and to investigate noise complaints or citizens' concerns.
- Working with the FAA to establish a preferential runway and flight traffic procedures to keep the air traffic away from noise sensitive areas whenever possible. (i.e. a right hand traffic pattern)
- Designation of noise sensitive areas in published Airport procedures.
- Describe the Airport and all surrounding areas as noise sensitive in all publications.
- Utilization of noise monitors to aid in noise abatement enforcement
- Aggressive follow up on all noise complaints
- Work closely with the Orleans Levee District and the neighborhood community groups to monitor and improve noise abatement efforts.

Will there be charter flights at the Lakefront Airport?

Yes, however, charter flights are projected to account for less than 1% of the total number of flights.

Will Southwest Airlines be at the Airport?

From the beginning, we have said that a hub type operator such as Southwest Airlines was not a part of our development plan. Extensive facility improvements far beyond the scope of our plan would be required to even consider this type of scheduled service.

Will there be 737 airplanes landing and taking off at the Lakefront Airport?

737 airplanes are already utilizing the Airport. Our plans do not call for a material increase in the traffic generated from this particular type of aircraft. Traffic from 737 type aircraft is projected to be less than 1% of the total air traffic at the Airport.

Does AAC really believe that the number of flights will not reach 1987 levels until 2015?

Yes. The Orleans Levee District submitted a Airport Master Plan to the FAA providing this estimate. That plan was based on extensive research and reliable

research methods. We have based our business proposal to the Orleans Levee District on those figures.

Even if the number of flights is not what it was in 1987, the types of planes are different, so what effect does that have?

Modern general aviation and corporate airplanes are quieter and more efficient than older generation models. It is anticipated that a large percentage of traffic growth will be comprised of the newer generation aircraft. Therefore, we believe that when the number of operations grow to 1987 levels those operations will have less of an impact on the community than that same level of operations had in 1987.

Are night flights anticipated?

The Airport is a 24-hour operation as mandated by the FAA. However, AAC would, through its community action plan and published noise abatement procedures, actively discourage flights in the late evening and early morning hours

What effect will changing to a private operator have on issues affecting air quality?

If selected, we will abide by all Federal, State and local laws and regulations concerning all environmental matters.

QUESTIONS ABOUT ECONOMIC DEVELOPMENT AND EXPANSION ...

Will the Airport be expanded?

Our business plan does not include any expansion of the airport beyond its current boundaries.

Will the runways be extended?

Our business plan include no runway extensions. However, the Orleans Levee District has planned a small safety extension on one runway that is in the Airport's current Master Plan and is already under development.

Will property values in the surrounding community decrease after a change in Airport management?

A change in Airport management should have no effect on surrounding property values. If we are selected, we will not change the core nature of the operations at Lakefront Airport. We will only endeavor to improve them. Our plans are to

improve and expand the facilities, create jobs both directly and indirectly related to the Airport, stimulate economic activity both at the Airport and in the surrounding community, and focus positive attention on the Airport and the community, all while improving the quality of life for the Airport's patrons, vendors and neighbors. It is our opinion that these activities strengthen communities and increase property values.

The Airport property is zoned residential and is operated as an Airport under a conditional use permit. Will your company have to go through the City's zoning/land use process to operate the Airport?

We will comply with all City, State and Federal laws and regulations regarding this matter.

If a hotel is built, won't you first have to get a zoning change?

A hotel would only be considered if appropriate demand were generated to support its construction and operation. Of course if this becomes an option we will have to comply with all City, State and Federal laws and regulations.

How would local DBE businesses be involved after a change in Airport management?

Our organizations have a strong and proven commitment to hiring minorities, women and the disadvantaged. If fortunate enough to be selected, we will be committed through the lease to assist the Orleans Levee District with their goals in both hiring and purchasing contracts at Lakefront Airport.

QUESTIONS ABOUT AMERICAN AIRPORTS CORPORATION AND THE COMMUNITY ...

How would AAC address community concerns?

If selected, we have plans to develop a community action plan that includes communication with you in a variety of ways, including:

- Establishing a direct connection with each community group
- Community Telephone Hotline
- Scheduled public information meetings
- Community information fairs
- Communicating with area local elected officials to address ideas and concerns
- Newsletters
- Website information
- Development of a welcome packet on the community and the Airport for transient customers

- Brochures and press kits for the media

Does this company have experience in running other Airports, and, if so, have those experiences been successful?

The management professionals of American Airports have a combined experience of 200 years in aviation, 100 of which is in direct management of airports

In addition to direct airport management, AAC provides expert management consulting services on airports and aviation to, cities, county's, state's, as well as federal and foreign governments. These services have included business plans, operational audits, safety reviews, minimum standards, rates and fees, optimizing organizational structures, resolving litigative issues, conversion of military bases to civilian use to minimize negative impact to the community. We have played a significant role in the development of many FAA safety manuals and films on airport operations and are frequently requested to speak at their conferences on financial management and innovations in airport development. We currently manage 9 airports in the United States making us the largest Airport management company in America.

In summary, there is no firm in America more qualified or more experienced in the management and operations of airports than American Airports Corporation.

How can citizens obtain information concerning other airports AAC manages?

The Orleans Levee District and its consultant have received reference correspondence from several of the airports we operate. We encourage any interested citizens to contact the Orleans Levee District for that information.